

By: Senator(s) Watson

To: Education;
Appropriations

SENATE BILL NO. 2045

1 AN ACT TO AMEND SECTION 37-17-6, MISSISSIPPI CODE OF 1972, TO
 2 PROVIDE THAT BEGINNING WITH THE 2014-2015 SCHOOL YEAR THE STATE
 3 BOARD OF EDUCATION SHALL REQUIRE EACH SCHOOL DISTRICT TO COMPLY
 4 WITH THE FINANCIAL ACCOUNTABILITY AND REPORTING SYSTEM REQUIREMENT
 5 THAT NOT LESS THAN 75% OF SCHOOL DISTRICT FUNDS SHALL BE EXPENDED
 6 FOR DIRECT CLASSROOM INSTRUCTIONAL COST PURPOSES; TO AMEND
 7 SECTIONS 37-61-9 AND 37-61-19, MISSISSIPPI CODE OF 1972, TO
 8 REQUIRE LOCAL SCHOOL DISTRICT BUDGETS TO CONTAIN A DETAILED
 9 STATEMENT OF THE ESTIMATED AMOUNTS TO BE EXPENDED FOR INSTRUCTION
 10 AND OTHER PROGRAM BUDGET CATEGORIES, AND TO REQUIRE SCHOOL
 11 DISTRICT EXPENDITURES TO BE LIMITED BY THE SAID 75% REQUIREMENT
 12 AND TO PROVIDE PERSONAL LIABILITY THEREFOR; AND FOR RELATED
 13 PURPOSES.

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

15 **SECTION 1.** Section 37-17-6, Mississippi Code of 1972, is
 16 amended as follows:

17 37-17-6. (1) The State Board of Education, acting through
 18 the Commission on School Accreditation, shall establish and
 19 implement a permanent performance-based accreditation system, and
 20 all noncharter public elementary and secondary schools shall be
 21 accredited under this system.

22 (2) No later than June 30, 1995, the State Board of
 23 Education, acting through the Commission on School Accreditation,



24 shall require school districts to provide school classroom space
25 that is air-conditioned as a minimum requirement for
26 accreditation.

27 (3) (a) Beginning with the 1994-1995 school year, the State
28 Board of Education, acting through the Commission on School
29 Accreditation, shall require that school districts employ
30 certified school librarians according to the following formula:

| 31 | Number of Students | Number of Certified |
|----|----------------------|--------------------------|
| 32 | Per School Library | School Librarians |
| 33 | 0 - 499 Students | 1/2 Full-time Equivalent |
| 34 | | Certified Librarian |
| 35 | 500 or More Students | 1 Full-time Certified |
| 36 | | Librarian |

37 (b) The State Board of Education, however, may increase
38 the number of positions beyond the above requirements.

39 (c) The assignment of certified school librarians to
40 the particular schools shall be at the discretion of the local
41 school district. No individual shall be employed as a certified
42 school librarian without appropriate training and certification as
43 a school librarian by the State Department of Education.

44 (d) School librarians in the district shall spend at
45 least fifty percent (50%) of direct work time in a school library
46 and shall devote no more than one-fourth (1/4) of the workday to
47 administrative activities that are library related.



48 (e) Nothing in this subsection shall prohibit any
49 school district from employing more certified school librarians
50 than are provided for in this section.

51 (f) Any additional millage levied to fund school
52 librarians required for accreditation under this subsection shall
53 be included in the tax increase limitation set forth in Sections
54 37-57-105 and 37-57-107 and shall not be deemed a new program for
55 purposes of the limitation.

56 (4) On or before December 31, 2002, the State Board of
57 Education shall implement the performance-based accreditation
58 system for school districts and for individual noncharter public
59 schools which shall include the following:

60 (a) High expectations for students and high standards
61 for all schools, with a focus on the basic curriculum;

62 (b) Strong accountability for results with appropriate
63 local flexibility for local implementation;

64 (c) A process to implement accountability at both the
65 school district level and the school level;

66 (d) Individual schools shall be held accountable for
67 student growth and performance;

68 (e) Set annual performance standards for each of the
69 schools of the state and measure the performance of each school
70 against itself through the standard that has been set for it;



71 (f) A determination of which schools exceed their
72 standards and a plan for providing recognition and rewards to
73 those schools;

74 (g) A determination of which schools are failing to
75 meet their standards and a determination of the appropriate role
76 of the State Board of Education and the State Department of
77 Education in providing assistance and initiating possible
78 intervention. A failing district is a district that fails to meet
79 both the absolute student achievement standards and the rate of
80 annual growth expectation standards as set by the State Board of
81 Education for two (2) consecutive years. The State Board of
82 Education shall establish the level of benchmarks by which
83 absolute student achievement and growth expectations shall be
84 assessed. In setting the benchmarks for school districts, the
85 State Board of Education may also take into account such factors
86 as graduation rates, dropout rates, completion rates, the extent
87 to which the school or district employs qualified teachers in
88 every classroom, and any other factors deemed appropriate by the
89 State Board of Education. The State Board of Education, acting
90 through the State Department of Education, shall apply a simple
91 "A," "B," "C," "D" and "F" designation to the current school and
92 school district statewide accountability performance
93 classification labels beginning with the State Accountability
94 Results for the 2011-2012 school year and following, and in the
95 school, district and state report cards required under state and



96 federal law. Under the new designations, a school or school
97 district that has earned a "Star" rating shall be designated an
98 "A" school or school district; a school or school district that
99 has earned a "High-Performing" rating shall be designated a "B"
100 school or school district; a school or school district that has
101 earned a "Successful" rating shall be designated a "C" school or
102 school district; a school or school district that has earned an
103 "Academic Watch" rating shall be designated a "D" school or school
104 district; a school or school district that has earned a
105 "Low-Performing," "At-Risk of Failing" or "Failing" rating shall
106 be designated an "F" school or school district. Effective with
107 the implementation of any new curriculum and assessment standards,
108 the State Board of Education, acting through the State Department
109 of Education, is further authorized and directed to change the
110 school and school district accreditation rating system to a simple
111 "A," "B," "C," "D," and "F" designation based on a combination of
112 student achievement scores and student growth as measured by the
113 statewide testing programs developed by the State Board of
114 Education pursuant to Chapter 16, Title 37, Mississippi Code of
115 1972. In any statute or regulation containing the former
116 accreditation designations, the new designations shall be
117 applicable;

118 (h) Development of a comprehensive student assessment
119 system to implement these requirements; and



120 (i) The State Board of Education may, based on a
121 written request that contains specific reasons for requesting a
122 waiver from the school districts affected by Hurricane Katrina of
123 2005, hold harmless school districts from assignment of district
124 and school level accountability ratings for the 2005-2006 school
125 year. The State Board of Education upon finding an extreme
126 hardship in the school district may grant the request. It is the
127 intent of the Legislature that all school districts maintain the
128 highest possible academic standards and instructional programs in
129 all schools as required by law and the State Board of Education.

130 (5) (a) Effective with the 2013-2014 school year, the State
131 Department of Education, acting through the Mississippi Commission
132 on School Accreditation, shall revise and implement a single "A"
133 through "F" school and school district accountability system
134 complying with applicable federal and state requirements in order
135 to reach the following educational goals:

136 (i) To mobilize resources and supplies to ensure
137 that all students exit third grade reading on grade level by 2015;

138 (ii) To reduce the student dropout rate to
139 thirteen percent (13%) by 2015; and

140 (iii) To have sixty percent (60%) of students
141 scoring proficient and advanced on the assessments of the Common
142 Core State Standards by 2016 with incremental increases of three
143 percent (3%) each year thereafter.



144 (b) The State Department of Education shall combine the
145 state school and school district accountability system with the
146 federal system in order to have a single system.

147 (c) The State Department of Education shall establish
148 five (5) performance categories ("A," "B," "C," "D" and "F") for
149 the accountability system based on the following criteria:

150 (i) Student Achievement: the percent of students
151 proficient and advanced on the current state assessments;

152 (ii) Individual student growth: the percent of
153 students making one (1) year's progress in one (1) year's time on
154 the state assessment, with an emphasis on the progress of the
155 lowest twenty-five percent (25%) of students in the school or
156 district;

157 (iii) Four-year graduation rate: the percent of
158 students graduating with a standard high school diploma in four
159 (4) years, as defined by federal regulations;

160 (iv) Categories shall identify schools as Reward
161 ("A" schools), Focus ("D" schools) and Priority ("F" schools). If
162 at least five percent (5%) of schools in the state are not graded
163 as "F" schools, the lowest five percent (5%) of school grade point
164 designees will be identified as Priority schools. If at least ten
165 percent (10%) of schools in the state are not graded as "D"
166 schools, the lowest ten percent (10%) of school grade point
167 designees will be identified as Focus schools;



168 (v) The State Department of Education shall
169 discontinue the use of Star School, High-Performing, Successful,
170 Academic Watch, Low-Performing, At-Risk of Failing and Failing
171 school accountability designations;

172 (vi) The system shall include the federally
173 compliant four-year graduation rate in school and school district
174 accountability system calculations. Graduation rate will apply to
175 high school and school district accountability ratings as a
176 compensatory component. The system shall discontinue the use of
177 the High School Completer Index (HSCI);

178 (vii) The school and school district
179 accountability system shall incorporate a standards-based growth
180 model, in order to support improvement of individual student
181 learning;

182 (viii) The State Department of Education shall
183 discontinue the use of the Quality Distribution Index (QDI);

184 (ix) The State Department of Education shall
185 determine feeder patterns of schools that do not earn a school
186 grade because the grades and subjects taught at the school do not
187 have statewide standardized assessments needed to calculate a
188 school grade. Upon determination of the feeder pattern, the
189 department shall notify schools and school districts prior to the
190 release of the school grades beginning in 2013. Feeder schools
191 will be assigned the accountability designation of the school to
192 which they provide students;



193 (x) Standards for student, school and school
194 district performance will be increased when student proficiency is
195 at a seventy-five percent (75%) and/or when sixty-five percent
196 (65%) of the schools and/or school districts are earning a grade
197 of "B" or higher, in order to raise the standard on performance
198 after targets are met.

199 (6) Nothing in this section shall be deemed to require a
200 nonpublic school that receives no local, state or federal funds
201 for support to become accredited by the State Board of Education.

202 (7) The State Board of Education shall create an
203 accreditation audit unit under the Commission on School
204 Accreditation to determine whether schools are complying with
205 accreditation standards.

206 (8) The State Board of Education shall be specifically
207 authorized and empowered to withhold adequate education program
208 fund allocations, whichever is applicable, to any public school
209 district for failure to timely report student, school personnel
210 and fiscal data necessary to meet state and/or federal
211 requirements.

212 (9) Deleted.

213 (10) The State Board of Education shall establish, for those
214 school districts failing to meet accreditation standards, a
215 program of development to be complied with in order to receive
216 state funds, except as otherwise provided in subsection (15) of
217 this section when the Governor has declared a state of emergency



218 in a school district or as otherwise provided in Section 206,
219 Mississippi Constitution of 1890. The state board, in
220 establishing these standards, shall provide for notice to schools
221 and sufficient time and aid to enable schools to attempt to meet
222 these standards, unless procedures under subsection (15) of this
223 section have been invoked.

224 (11) Beginning July 1, 1998, the State Board of Education
225 shall be charged with the implementation of the program of
226 development in each applicable school district as follows:

227 (a) Develop an impairment report for each district
228 failing to meet accreditation standards in conjunction with school
229 district officials;

230 (b) Notify any applicable school district failing to
231 meet accreditation standards that it is on probation until
232 corrective actions are taken or until the deficiencies have been
233 removed. The local school district shall develop a corrective
234 action plan to improve its deficiencies. For district academic
235 deficiencies, the corrective action plan for each such school
236 district shall be based upon a complete analysis of the following:
237 student test data, student grades, student attendance reports,
238 student dropout data, existence and other relevant data. The
239 corrective action plan shall describe the specific measures to be
240 taken by the particular school district and school to improve:

241 (i) instruction; (ii) curriculum; (iii) professional development;
242 (iv) personnel and classroom organization; (v) student incentives



243 for performance; (vi) process deficiencies; and (vii) reporting to
244 the local school board, parents and the community. The corrective
245 action plan shall describe the specific individuals responsible
246 for implementing each component of the recommendation and how each
247 will be evaluated. All corrective action plans shall be provided
248 to the State Board of Education as may be required. The decision
249 of the State Board of Education establishing the probationary
250 period of time shall be final;

251 (c) Offer, during the probationary period, technical
252 assistance to the school district in making corrective actions.
253 Beginning July 1, 1998, subject to the availability of funds, the
254 State Department of Education shall provide technical and/or
255 financial assistance to all such school districts in order to
256 implement each measure identified in that district's corrective
257 action plan through professional development and on-site
258 assistance. Each such school district shall apply for and utilize
259 all available federal funding in order to support its corrective
260 action plan in addition to state funds made available under this
261 paragraph;

262 (d) Assign department personnel or contract, in its
263 discretion, with the institutions of higher learning or other
264 appropriate private entities with experience in the academic,
265 finance and other operational functions of schools to assist
266 school districts;



267 (e) Provide for publication of public notice at least
268 one time during the probationary period, in a newspaper published
269 within the jurisdiction of the school district failing to meet
270 accreditation standards, or if no newspaper is published therein,
271 then in a newspaper having a general circulation therein. The
272 publication shall include the following: declaration of school
273 system's status as being on probation; all details relating to the
274 impairment report; and other information as the State Board of
275 Education deems appropriate. Public notices issued under this
276 section shall be subject to Section 13-3-31 and not contrary to
277 other laws regarding newspaper publication.

278 (12) (a) If the recommendations for corrective action are
279 not taken by the local school district or if the deficiencies are
280 not removed by the end of the probationary period, the Commission
281 on School Accreditation shall conduct a hearing to allow the
282 affected school district to present evidence or other reasons why
283 its accreditation should not be withdrawn. Additionally, if the
284 local school district violates accreditation standards that have
285 been determined by the policies and procedures of the State Board
286 of Education to be a basis for withdrawal of school district's
287 accreditation without a probationary period, the Commission on
288 School Accreditation shall conduct a hearing to allow the affected
289 school district to present evidence or other reasons why its
290 accreditation should not be withdrawn. After its consideration of
291 the results of the hearing, the Commission on School Accreditation



292 shall be authorized, with the approval of the State Board of
293 Education, to withdraw the accreditation of a public school
294 district, and issue a request to the Governor that a state of
295 emergency be declared in that district.

296 (b) If the State Board of Education and the Commission
297 on School Accreditation determine that an extreme emergency
298 situation exists in a school district that jeopardizes the safety,
299 security or educational interests of the children enrolled in the
300 schools in that district and that emergency situation is believed
301 to be related to a serious violation or violations of
302 accreditation standards or state or federal law, or when a school
303 district meets the State Board of Education's definition of a
304 failing school district for two (2) consecutive full school years,
305 or if more than fifty percent (50%) of the schools within the
306 school district are designated as Schools At-Risk in any one (1)
307 year, the State Board of Education may request the Governor to
308 declare a state of emergency in that school district. For
309 purposes of this paragraph, the declarations of a state of
310 emergency shall not be limited to those instances when a school
311 district's impairments are related to a lack of financial
312 resources, but also shall include serious failure to meet minimum
313 academic standards, as evidenced by a continued pattern of poor
314 student performance.

315 (c) Whenever the Governor declares a state of emergency
316 in a school district in response to a request made under paragraph



317 (a) or (b) of this subsection, the State Board of Education may
318 take one or more of the following actions:

319 (i) Declare a state of emergency, under which some
320 or all of state funds can be escrowed except as otherwise provided
321 in Section 206, Constitution of 1890, until the board determines
322 corrective actions are being taken or the deficiencies have been
323 removed, or that the needs of students warrant the release of
324 funds. The funds may be released from escrow for any program
325 which the board determines to have been restored to standard even
326 though the state of emergency may not as yet be terminated for the
327 district as a whole;

328 (ii) Override any decision of the local school
329 board or superintendent of education, or both, concerning the
330 management and operation of the school district, or initiate and
331 make decisions concerning the management and operation of the
332 school district;

333 (iii) Assign an interim conservator, or in its
334 discretion, contract with a private entity with experience in the
335 academic, finance and other operational functions of schools and
336 school districts, who will have those powers and duties prescribed
337 in subsection (15) of this section;

338 (iv) Grant transfers to students who attend this
339 school district so that they may attend other accredited schools
340 or districts in a manner that is not in violation of state or
341 federal law;



342 (v) For states of emergency declared under
343 paragraph (a) only, if the accreditation deficiencies are related
344 to the fact that the school district is too small, with too few
345 resources, to meet the required standards and if another school
346 district is willing to accept those students, abolish that
347 district and assign that territory to another school district or
348 districts. If the school district has proposed a voluntary
349 consolidation with another school district or districts, then if
350 the State Board of Education finds that it is in the best interest
351 of the pupils of the district for the consolidation to proceed,
352 the voluntary consolidation shall have priority over any such
353 assignment of territory by the State Board of Education;

354 (vi) For states of emergency declared under
355 paragraph (b) only, reduce local supplements paid to school
356 district employees, including, but not limited to, instructional
357 personnel, assistant teachers and extracurricular activities
358 personnel, if the district's impairment is related to a lack of
359 financial resources, but only to an extent that will result in the
360 salaries being comparable to districts similarly situated, as
361 determined by the State Board of Education;

362 (vii) For states of emergency declared under
363 paragraph (b) only, the State Board of Education may take any
364 action as prescribed in Section 37-17-13.

365 (d) At the time that satisfactory corrective action has
366 been taken in a school district in which a state of emergency has



367 been declared, the State Board of Education may request the
368 Governor to declare that the state of emergency no longer exists
369 in the district.

370 (e) The parent or legal guardian of a school-age child
371 who is enrolled in a school district whose accreditation has been
372 withdrawn by the Commission on School Accreditation and without
373 approval of that school district may file a petition in writing to
374 a school district accredited by the Commission on School
375 Accreditation for a legal transfer. The school district
376 accredited by the Commission on School Accreditation may grant the
377 transfer according to the procedures of Section 37-15-31(1)(b).
378 In the event the accreditation of the student's home district is
379 restored after a transfer has been approved, the student may
380 continue to attend the transferee school district. The per-pupil
381 amount of the adequate education program allotment, including the
382 collective "add-on program" costs for the student's home school
383 district shall be transferred monthly to the school district
384 accredited by the Commission on School Accreditation that has
385 granted the transfer of the school-age child.

386 (f) Upon the declaration of a state of emergency for
387 any school district in which the Governor has previously declared
388 a state of emergency, the State Board of Education may either (i)
389 establish a conservatorship or (ii) abolish the school district
390 and administratively consolidate the school district with one or
391 more existing school districts or (iii) reduce the size of the



392 district and administratively consolidate parts of the district,
393 as determined by the State Board of Education; provided, however,
394 that no school district which is not under conservatorship shall
395 be required to accept additional territory over the objection of
396 the district.

397 (g) There is established a Mississippi Recovery School
398 District within the State Department of Education under the
399 supervision of a deputy superintendent appointed by the State
400 Superintendent of Public Education, who is subject to the approval
401 by the State Board of Education. The Mississippi Recovery School
402 District shall provide leadership and oversight of all school
403 districts that are subject to state conservatorship, as defined in
404 Chapters 17 and 18, Title 37, Mississippi Code of 1972, and shall
405 have all the authority granted under these two (2) chapters. The
406 Mississippi Department of Education, with the approval of the
407 State Board of Education, shall develop policies for the operation
408 and management of the Mississippi Recovery School District. The
409 deputy state superintendent is responsible for the Mississippi
410 Recovery School District and shall be authorized to oversee the
411 administration of the Mississippi Recovery School District,
412 oversee conservators assigned by the State Board of Education to a
413 local school district, hear appeals from school districts under
414 conservatorship that would normally be filed by students, parents
415 or employees and heard by a local school board, which hearings on
416 appeal shall be conducted in a prompt and timely manner in the



417 school district from which the appeal originated in order to
418 ensure the ability of appellants, other parties and witnesses to
419 appeal without undue burden of travel costs or loss of time from
420 work, and perform other related duties as assigned by the State
421 Superintendent of Public Education. The deputy state
422 superintendent is responsible for the Mississippi Recovery School
423 District and shall determine, based on rigorous professional
424 qualifications set by the State Board of Education, the
425 appropriate individuals to be engaged to be conservators and
426 financial advisors, if applicable, of all school districts subject
427 to state conservatorship. After State Board of Education
428 approval, these individuals shall be deemed independent
429 contractors.

430 (13) Upon the declaration of a state of emergency in a
431 school district under subsection (12) of this section, the
432 Commission on School Accreditation shall be responsible for public
433 notice at least once a week for at least three (3) consecutive
434 weeks in a newspaper published within the jurisdiction of the
435 school district failing to meet accreditation standards, or if no
436 newspaper is published therein, then in a newspaper having a
437 general circulation therein. The size of the notice shall be no
438 smaller than one-fourth (1/4) of a standard newspaper page and
439 shall be printed in bold print. If a conservator has been
440 appointed for the school district, the notice shall begin as
441 follows: "By authority of Section 37-17-6, Mississippi Code of



442 1972, as amended, adopted by the Mississippi Legislature during
443 the 1991 Regular Session, this school district (name of school
444 district) is hereby placed under the jurisdiction of the State
445 Department of Education acting through its appointed conservator
446 (name of conservator)."

447 The notice also shall include, in the discretion of the State
448 Board of Education, any or all details relating to the school
449 district's emergency status, including the declaration of a state
450 of emergency in the school district and a description of the
451 district's impairment deficiencies, conditions of any
452 conservatorship and corrective actions recommended and being
453 taken. Public notices issued under this section shall be subject
454 to Section 13-3-31 and not contrary to other laws regarding
455 newspaper publication.

456 Upon termination of the state of emergency in a school
457 district, the Commission on School Accreditation shall cause
458 notice to be published in the school district in the same manner
459 provided in this section, to include any or all details relating
460 to the corrective action taken in the school district that
461 resulted in the termination of the state of emergency.

462 (14) The State Board of Education or the Commission on
463 School Accreditation shall have the authority to require school
464 districts to produce the necessary reports, correspondence,
465 financial statements, and any other documents and information
466 necessary to fulfill the requirements of this section.



467 Nothing in this section shall be construed to grant any
468 individual, corporation, board or conservator the authority to
469 levy taxes except in accordance with presently existing statutory
470 provisions.

471 (15) (a) Whenever the Governor declares a state of
472 emergency in a school district in response to a request made under
473 subsection (12) of this section, the State Board of Education, in
474 its discretion, may assign an interim conservator to the school
475 district, or in its discretion, may contract with an appropriate
476 private entity with experience in the academic, finance and other
477 operational functions of schools and school districts, who will be
478 responsible for the administration, management and operation of
479 the school district, including, but not limited to, the following
480 activities:

481 (i) Approving or disapproving all financial
482 obligations of the district, including, but not limited to, the
483 employment, termination, nonrenewal and reassignment of all
484 licensed and nonlicensed personnel, contractual agreements and
485 purchase orders, and approving or disapproving all claim dockets
486 and the issuance of checks; in approving or disapproving
487 employment contracts of superintendents, assistant superintendents
488 or principals, the interim conservator shall not be required to
489 comply with the time limitations prescribed in Sections 37-9-15
490 and 37-9-105;



491 (ii) Supervising the day-to-day activities of the
492 district's staff, including reassigning the duties and
493 responsibilities of personnel in a manner which, in the
494 determination of the conservator, will best suit the needs of the
495 district;

496 (iii) Reviewing the district's total financial
497 obligations and operations and making recommendations to the
498 district for cost savings, including, but not limited to,
499 reassigning the duties and responsibilities of staff;

500 (iv) Attending all meetings of the district's
501 school board and administrative staff;

502 (v) Approving or disapproving all athletic, band
503 and other extracurricular activities and any matters related to
504 those activities;

505 (vi) Maintaining a detailed account of
506 recommendations made to the district and actions taken in response
507 to those recommendations;

508 (vii) Reporting periodically to the State Board of
509 Education on the progress or lack of progress being made in the
510 district to improve the district's impairments during the state of
511 emergency; and

512 (viii) Appointing a parent advisory committee,
513 comprised of parents of students in the school district that may
514 make recommendations to the conservator concerning the
515 administration, management and operation of the school district.



516 Except when, in the determination of the State Board of
517 Education, the school district's impairment is related to a lack
518 of financial resources, the cost of the salary of the conservator
519 and any other actual and necessary costs related to the
520 conservatorship paid by the State Department of Education shall be
521 reimbursed by the local school district from funds other than
522 adequate education program funds. The department shall submit an
523 itemized statement to the superintendent of the local school
524 district for reimbursement purposes, and any unpaid balance may be
525 withheld from the district's adequate education program funds.

526 At the time that the Governor, in accordance with the request
527 of the State Board of Education, declares that the state of
528 emergency no longer exists in a school district, the powers and
529 responsibilities of the interim conservator assigned to the
530 district shall cease.

531 (b) In order to provide loans to school districts under
532 a state of emergency or under conservatorship that have
533 impairments related to a lack of financial resources, the School
534 District Emergency Assistance Fund is created as a special fund in
535 the State Treasury into which monies may be transferred or
536 appropriated by the Legislature from any available public
537 education funds. Funds in the School District Emergency
538 Assistance Fund up to a maximum balance of Three Million Dollars
539 (\$3,000,000.00) annually shall not lapse but shall be available
540 for expenditure in subsequent years subject to approval of the



541 State Board of Education. Any amount in the fund in excess of
542 Three Million Dollars (\$3,000,000.00) at the end of the fiscal
543 year shall lapse into the State General Fund or the Education
544 Enhancement Fund, depending on the source of the fund.

545 The State Board of Education may loan monies from the School
546 District Emergency Assistance Fund to a school district that is
547 under a state of emergency or under conservatorship, in those
548 amounts, as determined by the board, that are necessary to correct
549 the district's impairments related to a lack of financial
550 resources. The loans shall be evidenced by an agreement between
551 the school district and the State Board of Education and shall be
552 repayable in principal, without necessity of interest, to the
553 School District Emergency Assistance Fund by the school district
554 from any allowable funds that are available. The total amount
555 loaned to the district shall be due and payable within five (5)
556 years after the impairments related to a lack of financial
557 resources are corrected. If a school district fails to make
558 payments on the loan in accordance with the terms of the agreement
559 between the district and the State Board of Education, the State
560 Department of Education, in accordance with rules and regulations
561 established by the State Board of Education, may withhold that
562 district's adequate education program funds in an amount and
563 manner that will effectuate repayment consistent with the terms of
564 the agreement; the funds withheld by the department shall be
565 deposited into the School District Emergency Assistance Fund.



566 The State Board of Education shall develop a protocol that
567 will outline the performance standards and requisite time line
568 deemed necessary for extreme emergency measures. If the State
569 Board of Education determines that an extreme emergency exists,
570 simultaneous with the powers exercised in this subsection, it
571 shall take immediate action against all parties responsible for
572 the affected school districts having been determined to be in an
573 extreme emergency. The action shall include, but not be limited
574 to, initiating civil actions to recover funds and criminal actions
575 to account for criminal activity. Any funds recovered by the
576 State Auditor or the State Board of Education from the surety
577 bonds of school officials or from any civil action brought under
578 this subsection shall be applied toward the repayment of any loan
579 made to a school district hereunder.

580 (16) If a majority of the membership of the school board of
581 any school district resigns from office, the State Board of
582 Education shall be authorized to assign an interim conservator,
583 who shall be responsible for the administration, management and
584 operation of the school district until the time as new board
585 members are selected or the Governor declares a state of emergency
586 in that school district under subsection (12), whichever occurs
587 first. In that case, the State Board of Education, acting through
588 the interim conservator, shall have all powers which were held by
589 the previously existing school board, and may take any action as



590 prescribed in Section 37-17-13 and/or one or more of the actions
591 authorized in this section.

592 (17) (a) If the Governor declares a state of emergency in a
593 school district, the State Board of Education may take all such
594 action pertaining to that school district as is authorized under
595 subsection (12) or (15) of this section, including the appointment
596 of an interim conservator. The State Board of Education shall
597 also have the authority to issue a written request with
598 documentation to the Governor asking that the office of the
599 superintendent of the school district be subject to recall. If
600 the Governor declares that the office of the superintendent of the
601 school district is subject to recall, the local school board or
602 the county election commission, as the case may be, shall take the
603 following action:

604 (i) If the office of superintendent is an elected
605 office, in those years in which there is no general election, the
606 name shall be submitted by the State Board of Education to the
607 county election commission, and the county election commission
608 shall submit the question at a special election to the voters
609 eligible to vote for the office of superintendent within the
610 county, and the special election shall be held within sixty (60)
611 days from notification by the State Board of Education. The
612 ballot shall read substantially as follows:

613 "Shall County Superintendent of Education _____ (here the
614 name of the superintendent shall be inserted) of the _____



615 (here the title of the school district shall be inserted) be
616 retained in office? Yes _____ No _____"

617 If a majority of those voting on the question votes against
618 retaining the superintendent in office, a vacancy shall exist
619 which shall be filled in the manner provided by law; otherwise,
620 the superintendent shall remain in office for the term of that
621 office, and at the expiration of the term shall be eligible for
622 qualification and election to another term or terms.

623 (ii) If the office of superintendent is an
624 appointive office, the name of the superintendent shall be
625 submitted by the president of the local school board at the next
626 regular meeting of the school board for retention in office or
627 dismissal from office. If a majority of the school board voting
628 on the question vote against retaining the superintendent in
629 office, a vacancy shall exist which shall be filled as provided by
630 law, otherwise the superintendent shall remain in office for the
631 duration of his employment contract.

632 (b) The State Board of Education may issue a written
633 request with documentation to the Governor asking that the
634 membership of the school board of the school district shall be
635 subject to recall. Whenever the Governor declares that the
636 membership of the school board is subject to recall, the county
637 election commission or the local governing authorities, as the
638 case may be, shall take the following action:



639 (i) If the members of the local school board are
640 elected to office, in those years in which the specific member's
641 office is not up for election, the name of the school board member
642 shall be submitted by the State Board of Education to the county
643 election commission, and the county election commission at a
644 special election shall submit the question to the voters eligible
645 to vote for the particular member's office within the county or
646 school district, as the case may be, and the special election
647 shall be held within sixty (60) days from notification by the
648 State Board of Education. The ballot shall read substantially as
649 follows:

650 "Members of the _____ (here the title of the school
651 district shall be inserted) School Board who are not up for
652 election this year are subject to recall because of the school
653 district's failure to meet critical accountability standards as
654 defined in the letter of notification to the Governor from the
655 State Board of Education. Shall the member of the school board
656 representing this area, _____ (here the name of the school
657 board member holding the office shall be inserted), be retained in
658 office? Yes _____ No _____"

659 If a majority of those voting on the question vote against
660 retaining the member of the school board in office, a vacancy in
661 that board member's office shall exist, which shall be filled in
662 the manner provided by law; otherwise, the school board member
663 shall remain in office for the term of that office, and at the



664 expiration of the term of office, the member shall be eligible for
665 qualification and election to another term or terms of office.
666 However, if a majority of the school board members are recalled in
667 the special election, the Governor shall authorize the board of
668 supervisors of the county in which the school district is situated
669 to appoint members to fill the offices of the members recalled.
670 The board of supervisors shall make those appointments in the
671 manner provided by law for filling vacancies on the school board,
672 and the appointed members shall serve until the office is filled
673 at the next regular special election or general election.

674 (ii) If the local school board is an appointed
675 school board, the name of all school board members shall be
676 submitted as a collective board by the president of the municipal
677 or county governing authority, as the case may be, at the next
678 regular meeting of the governing authority for retention in office
679 or dismissal from office. If a majority of the governing
680 authority voting on the question vote against retaining the board
681 in office, a vacancy shall exist in each school board member's
682 office, which shall be filled as provided by law; otherwise, the
683 members of the appointed school board shall remain in office for
684 the duration of their term of appointment, and those members may
685 be reappointed.

686 (iii) If the local school board is comprised of
687 both elected and appointed members, the elected members shall be
688 subject to recall in the manner provided in subparagraph (i) of



689 this subsection, and the appointed members shall be subject to
690 recall in the manner provided in subparagraph (ii).

691 (18) Beginning with the school district audits conducted for
692 the 1997-1998 fiscal year, the State Board of Education, acting
693 through the Commission on School Accreditation, shall require each
694 school district to comply with standards established by the State
695 Department of Audit for the verification of fixed assets and the
696 auditing of fixed assets records as a minimum requirement for
697 accreditation.

698 (19) Before December 1, 1999, the State Board of Education
699 shall recommend a program to the Education Committees of the House
700 of Representatives and the Senate for identifying and rewarding
701 public schools that improve or are high performing. The program
702 shall be described by the board in a written report, which shall
703 include criteria and a process through which improving schools and
704 high-performing schools will be identified and rewarded.

705 The State Superintendent of Public Education and the State
706 Board of Education also shall develop a comprehensive
707 accountability plan to ensure that local school boards,
708 superintendents, principals and teachers are held accountable for
709 student achievement. A written report on the accountability plan
710 shall be submitted to the Education Committees of both houses of
711 the Legislature before December 1, 1999, with any necessary
712 legislative recommendations.



713 (20) Before January 1, 2008, the State Board of Education
714 shall evaluate and submit a recommendation to the Education
715 Committees of the House of Representatives and the Senate on
716 inclusion of graduation rate and dropout rate in the school level
717 accountability system.

718 (21) If a local school district is determined as failing and
719 placed into conservatorship for reasons authorized by the
720 provisions of this section, the conservator appointed to the
721 district shall, within forty-five (45) days after being appointed,
722 present a detailed and structured corrective action plan to move
723 the local school district out of conservatorship status to the
724 local school board and local superintendent of education if they
725 have not been removed by the conservator, or if the board and
726 superintendent have been removed, to the local governing authority
727 of the municipality or county in which the school district under
728 conservatorship is located. A copy of the conservator's
729 corrective action plan shall also be filed with the State Board of
730 Education.

731 (22) Beginning with the school district audits conducted for
732 the 2014-2015 school fiscal year, the State Board of Education,
733 acting through the Commission on School Accreditation, shall
734 require each school district to comply with financial
735 accountability and reporting standards established by the State
736 Department of Audit which shall include an indicator establishing
737 a requirement that not less than seventy-five percent (75%) of



738 school district funds shall be expended for direct classroom
739 instructional costs. For purposes of this subsection (22),
740 "direct classroom instructional costs" shall mean a school
741 district's expenses directly related to classroom instruction for
742 courses funded under the adequate education program and subject to
743 assessment by the State Department of Education, and do not
744 include programs and services that are provided at the local
745 school districts discretion. "Direct instructional costs" include
746 salaries and benefits for teachers, teaching assistants,
747 librarians and in-service teacher trainers, classroom computers,
748 media services, curriculum development, textbooks and purchased
749 instructional services. "Direct instructional costs" do not
750 include noninstructional expenditures, such as food service,
751 athletic activities, community service activities, adult education
752 activities, operation and maintenance of buildings, central office
753 school administration, student transportation, nursing services,
754 guidance counseling services, therapist services, business
755 services, research and data processing services and any other
756 student or staff support services. The financial accountability
757 and reporting system shall include a requirement for clear and
758 concise accounting of school district expenditures related to
759 direct classroom instructional costs and expenditures not related
760 to direct classroom instruction to ensure transparency and fiscal
761 efficiency in school district operations. In the event a school
762 district is currently spending less than seventy-five percent



763 (75%) required for direct classroom instructional costs, the State
764 Board of Education shall direct such school district to increase
765 that amount by not less than two percent (2%) per year until the
766 seventy-five percent (75%) requirement is met. If a local school
767 board is of the opinion that unusual circumstances prevent its
768 school district from reaching the seventy-five percent (75%)
769 requirement or the two percent (2%) annual increase requirement,
770 it may submit a written petition to the State Board of Education
771 for a renewable one-year waiver. The State Board of Education,
772 acting through the Commission on School Accreditation, shall have
773 the sole authority to grant-in-full, grant-in-part or reject the
774 school district's one-year waiver request. The Commission on
775 School Accreditation may take appropriate action under subsections
776 (11) through (14) of this section or lower a school district's
777 accreditation rating as deemed appropriate for failure to comply
778 with the said seventy-five percent (75%) requirement.

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

781 37-61-9. (1) On or before the fifteenth day of August of
782 each year, the local school board of each school district, with
783 the assistance of the superintendent of schools, shall prepare and
784 file with the levying authority for the school district, as
785 defined in Section 37-57-1, at least two (2) copies of a budget of
786 estimated expenditures for the support, maintenance and operation
787 of the public schools of the school district for the fiscal year



788 commencing on July 1 of such year. Such budget shall be prepared
789 on forms prescribed and provided by the State Auditor and shall
790 contain such information as the State Auditor may require.
791 Beginning with fiscal year 2014-2015 and fiscal years thereafter,
792 each school district's budget shall contain a detailed statement
793 of the estimated amounts to be expended for direct classroom
794 instructional costs and expenditures not related to direct
795 classroom instruction in compliance with the financial
796 accountability and reporting system developed by the State
797 Auditor, in order to comply with the accreditation requirement
798 that not less than seventy-five percent (75%) of school district
799 funds be expended for direct classroom instructional purposes as
800 specified under Section 37-17-6(22). The State Board of
801 Education, acting through the State Auditor, shall prescribe and
802 provide forms to each school district for this purpose. When an
803 operating budget has been approved by the local school board and
804 Mississippi Adequate Education Program funds have been provided by
805 appropriation of the Legislature, the amount approved for
806 instructional costs shall be the minimum amount of obligations or
807 indebtedness which may be incurred by the school district for such
808 purpose during the fiscal year.

809 (2) In addition, on or before the fifteenth day of August of
810 each year, the local school board of each school district, with
811 the assistance of the superintendent of schools, shall prepare and
812 file with the State Department of Education such budgetary



813 information as the State Board of Education may require. The
814 State Board of Education shall prescribe and provide forms to each
815 school district for this purpose.

816 (3) Prior to the adoption of a budget pursuant to this
817 section, the school board of each school district shall hold at
818 least one (1) public hearing to provide the general public with an
819 opportunity to comment on the taxing and spending plan
820 incorporated in the proposed budget. The public hearing shall be
821 held at least one (1) week prior to the adoption of the budget
822 with advance notice. After final adoption of the budget, a
823 synopsis of such budget in a form prescribed by the State
824 Department of Audit shall be published in a newspaper having
825 general circulation in the school district on a date different
826 from the date on which the county or any municipality therein may
827 publish its budget.

828 (4) There shall be imposed limitations on budgeted
829 expenditures for certain administration costs, as defined
830 hereinafter, in an amount not greater than One Hundred Fifty
831 Thousand Dollars (\$150,000.00) plus four percent (4%) of the
832 expenditures of all school districts each year. For purposes of
833 this subsection, "administration costs" shall be defined as
834 expenditures for salaries and fringe benefits paid for central
835 administration costs from all sources of revenue in the following
836 expenditure functions as defined in the MISSISSIPPI PUBLIC SCHOOL
837 DISTRICT FINANCIAL ACCOUNTING MANUAL:



838 2300 = Support Services - General Administration
839 2310 = Board of Education Services
840 2320 = Executive Administration Services
841 2330 = Special Area Administration Services
842 2500 = Business Services
843 2510 = Fiscal Services
844 2520 = Purchasing Services
845 2530 = Warehousing and Distributing Services
846 2540 = Printing, Publishing and Duplicating Services
847 2590 = Other Support Services - Business

848 Any costs classified as "administration costs" for purposes
849 of this subsection which can be demonstrated by the local school
850 district to be an expenditure that results in a net cost savings
851 to the district that may otherwise require budget expenditures for
852 functions not covered under the definition of administration costs
853 herein may be excluded from the limitations imposed herein. The
854 local school board shall make a specific finding of such costs and
855 spread such finding upon its minutes, which shall be subject to
856 the approval of the Office of Educational Accountability of the
857 State Department of Education. Any school district required to
858 make expenditure cuts, as a result of application of this
859 subsection, shall not be required to reduce such expenditures more
860 than twenty-five percent (25%) in any year in order to comply with
861 this mandate.



862 The State Auditor shall ensure that functions in all
863 expenditure categories to which this administrative limitation
864 applies shall be properly classified.

865 This section shall not apply to central administration with
866 five (5) or less full-time employees, or to those school districts
867 which can substantiate that comparable reductions have occurred in
868 administrative costs for the five-year period immediately prior to
869 school year 1993-1994. In the event the application of this
870 section may jeopardize the fiscal integrity or operations of the
871 school district, have an adverse impact on the ability of the
872 district to deliver educational services, or otherwise restrict
873 the district from achieving or maintaining a quality education
874 program, the State Board of Education shall be authorized to
875 exempt the application of this section to such school district
876 pursuant to rules and regulations of the State Board of Education
877 consistent with the intent of this section.

878 **SECTION 3.** Section 37-61-19, Mississippi Code of 1972, is
879 amended as follows:

880 37-61-19. It shall be the duty of the superintendents of
881 schools and the school boards of all school districts to limit the
882 expenditure of school funds during the fiscal year to the
883 resources available. It shall be unlawful for any school district
884 to budget expenditures from a fund in excess of the resources
885 available within that fund. Furthermore, it shall be unlawful for
886 any contract to be entered into or any obligation incurred or



887 expenditure made in excess of the resources available for such
888 fiscal year. Furthermore, it shall be unlawful for any school
889 district to expend less for direct classroom instruction than
890 seventy-five percent (75%) of available school district funds, as
891 required under Section 37-61-9(1). Any member of the school
892 board, superintendent of schools, or other school official, who
893 shall knowingly enter into any contract, incur any obligation, or
894 make any expenditure in excess of the amount available for the
895 fiscal year, or less than that budget for instructional purposes,
896 shall be personally liable for the amount of such excess.
897 However, no school board member, superintendent or other school
898 official shall be personally liable (a) in the event of any
899 reduction in adequate education program payments by action of the
900 Governor acting through the Department of Finance and
901 Administration, or (b) for claims, damages, awards or judgments,
902 on account of any wrongful or tortious act or omission or breach
903 of implied term or condition of any warranty or contract;
904 provided, however, that the foregoing immunity provisions shall
905 not be a defense in cases of fraud, criminal action or an
906 intentional breach of fiduciary obligations imposed by statute.

907 **SECTION 4.** This act shall take effect and be in force from
908 and after July 1, 2014.

