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

SECTION 1. Sections 1 through 4 of this act shall be known and may be cited as the "Special Education Improvement Act of 2015."

SECTION 2. Beginning with the appropriation for fiscal year 2016, funding for the special education program required under Chapter 23, Title 37, Mississippi Code of 1972, shall be appropriated to the State Board of Education as a separate line item in the K-12 education general support appropriations bill. The State Board of Education shall allocate the special education funding to each school district as follows:
For each teacher employed by a school district in a program for exceptional children, as defined in Section 27-23-3, which is approved by the State Department of Education, an amount equal to one hundred percent (100%) of the adequate education program salary schedule prescribed in Section 37-19-7, based on the type of license and number of years' teaching experience held by each approved special education teacher, plus an amount equal to one hundred percent (100%) of the applicable employer's rate for social security and contributions to the state retirement system.

SECTION 3. The State Department of Education shall employ a coordinator of Autism Spectrum Disorder (ASD) services and a PIN created for this purpose. The coordinator shall perform the following duties:

(a) Develop and implement statewide ASD public education policies under the auspices of the Office of Special Education within the State Department of Education and in cooperation with the Mississippi Autism Advisory Committee created under Section 37-169-1;

(b) Conduct oversight of ASD services in the public schools;

(c) Facilitate interagency cooperation and coordination on ASD services with the State Department of Mental Health and the State Department of Rehabilitation Services, as well as other state agencies that may provide ASD or related services; and
(d) Carry out any other duties assigned by the State Superintendent of Public Education or the State Director of Special Education.

SECTION 4. (1) As used in this section, the following words and phrases have the meanings ascribed in this subsection unless the context clearly indicates otherwise:

(a) "Dyslexia" means a specific learning disability that is neurological in origin, characterized by difficulties with accurate and fluent word recognition and poor spelling and decoding abilities, which typically result from a deficit in the phonological component of language which is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction, and further characterized by secondary consequences that may include problems in reading comprehension and reduced reading experience, which can impede growth of vocabulary and background knowledge.

(b) "Fund" means the Children with Special Needs Fund created under this section.

(c) "Parent" means a resident of this state who is a parent, legal guardian, custodian or other person having the authority to act on behalf of a child.

(d) "Services" means special education services provided in Mississippi schools under the Individuals with Disabilities Education Act (IDEA) or state laws and clinical or therapeutic services provided by licensed professionals.
(e) "Special education advisory panel" means the advisory panel created pursuant to Section 37-23-145 to advise the State Department of Education on issues related to special education.

(f) "Special needs" means the needs of a child who has an Individualized Education Program (IEP) through a school district in Mississippi or a diagnosis by a licensed professional of dyslexia.

(2) Subject to an initial annual appropriation of Four Million Dollars ($4,000,000.00), there is created the Children with Special Needs Fund, to be administered by the State Department of Health, for the purpose of helping families of children with special needs defray the costs of therapies, services and equipment for a child with special needs as follows:

(a) As a supplement to services provided within the school setting under IDEA or state law;

(b) For clinical or therapeutic services and equipment that are not allowed under IDEA but which are prescribed by a licensed professional; and

(c) For respite care, enrichment programs and special purpose camps that support the child's special needs, private tutoring and assistive technology.

(3) In order to be eligible for assistance from the fund, a child must:
(a) Be in the age range of three (3) through twenty-one (21) years;
(b) Have a parent or legal guardian who is a lawful resident of the State of Mississippi; and
(c) (i) Possess an IEP through a school district in this state; or
   (ii) Possess a diagnosis of dyslexia from a licensed professional.
(4) Monies from the fund may be used for the following allowable expenses:
   (a) In-home or out-of-home respite care;
   (b) Clinical services provided by licensed therapists, including behavioral, occupational, physical, speech, art and music therapists;
   (c) Enrichment programs and special purpose camps that support the child's special needs;
   (d) Private tutoring;
   (e) Assistive technology software and hardware which is not covered by private insurance or Medicaid but prescribed by a licensed therapist or physician; and
   (f) Therapeutic and life skills equipment and technology software and hardware not covered by private insurance or Medicaid but prescribed by a licensed therapist or physician.
(5) Tuition and fees to private, parochial or other nonpublic schools are not allowable expenditures for monies from the fund.

(6) The State Department of Health, in cooperation with the special education advisory panel, shall develop guidelines for the administration and distribution of monies from the fund. The guidelines must include, but need not be limited to, the following:

(a) Application procedures that will not present an undue burden on families;

(b) Application procedures that establish a timeline for submission and a means of prioritizing applications by the order in which the applications are received;

(c) An application form that requires:

(i) The name and address of the applicant, which must be the child's parent or legal guardian;

(ii) The household income of the applicant, verified by a copy of the parent or guardian's most recent federal income tax return;

(iii) The name, age, gender and date of birth of the child for whom services are requested;

(iv) A description of the services for which funds are requested, including the name and address of the service provider and the expected length of time or frequency of the service. If funds are requested for equipment, the application
must include: the name and address of the equipment provider;

whether the equipment is new or used; if the requested funds will be used for renting, leasing or purchasing the equipment; and if the equipment will not be purchased, the period of time for which any rental or lease is planned.

(v) The reason for requesting the funds;

(vi) The amount of funds being requested, subject to the following limitations:

1. Families with a household income over four hundred percent (400%) of the federal poverty level may apply annually for assistance not exceeding One Thousand Dollars ($1,000.00).

2. Families with a household income over three hundred percent (300%) but not more than four hundred percent (400%) of the federal poverty level may apply annually for assistance not exceeding Two Thousand Dollars ($2,000.00).

3. Families with a household income over two hundred percent (200%) but not more than three hundred percent (300%) of the federal poverty level may apply annually for assistance not exceeding Three Thousand Dollars ($3,000.00).

4. Families with a household income at or below two hundred percent (200%) of the federal poverty level may apply annually for assistance not exceeding Four Thousand Dollars ($4,000.00); and
(vii) Supporting materials that must include, at a minimum, the following:

1. A copy of the child's treatment plan submitted by a licensed therapist or physician;
2. In the case of a request for equipment, a prescription submitted by a licensed therapist or physician;
3. Copies of written statements regarding the diagnosis or observation of the child by clinical or educational professionals who have evaluated, treated, taught or tutored the child within the most recent period of twenty-four (24) months;
4. Copies of the child's relevant medical records; and
5. A complete copy of the child's most recent IEP;

(d) A requirement that no less than fifty percent (50%) of the fund's annual appropriation be reserved for applicants who are at or below four hundred percent (400%) of the federal poverty level;

(e) A procedure for online and paper-based application submissions;

(f) A streamlined annual renewal process for those applicants wishing to reapply which requires submission, along with a renewal application, of: documentation of completion of at least seventy-five percent (75%) of services outlined in the preceding year's application; a description of the effectiveness
of services; documentation of continued need from a licensed professional or service provider; and the anticipated treatment plan for continuation of services; and

(g) A clear process for the denial of an application and an appeal of any denial.

(7) The Office of the State Auditor shall be responsible for oversight of the fund's operations. Before October 1 of each year, the State Auditor shall submit a report to the Legislature outlining the fund's expenditures during the preceding fiscal year, which report must include no less than the following:

(a) A detailed listing of services and equipment provided to participants; and

(b) Demographic data, including:

(i) The number of children served by year of age;

(ii) The number of children served by school district in which they reside;

(iii) The number of children served by each public and private provider of services or equipment for participants;

(iv) The number of adults and children in households of children served by household size;

(v) Household income in households of children served by the income ranges prescribed in subparagraph (c)(vii) of subsection (6); and

(vi) The number of children served by enrollment in public, private and home schools.
SECTION 5. Section 37-151-5, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Extended school year programs" shall mean those programs authorized by law which extend beyond the normal school year.

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

"Bus driver training" programs shall mean those driver training programs as provided for in Section 37-41-1.

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

"Principal" shall mean the head of an attendance center or division thereof.

"Superintendent" shall mean the head of a school district.
"School district" shall mean any type of school district in the State of Mississippi, and shall include agricultural high schools.

"Minimum school term" shall mean a term of at least one hundred eighty (180) days of school in which both teachers and pupils are in regular attendance for scheduled classroom instruction for not less than sixty-three percent (63%) of the instructional day, as fixed by the local school board for each school in the school district. It is the intent of the Legislature that any tax levies generated to produce additional local funds required by any school district to operate school terms in excess of one hundred seventy-five (175) days shall not be construed to constitute a new program for the purposes of exemption from the limitation on tax revenues as allowed under Sections 27-39-321 and 37-57-107 for new programs mandated by the Legislature.

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

The term "transported children" shall mean children being transported to school who live within legal limits for transportation and who are otherwise qualified for being transported to school at public expense as fixed by Mississippi state law.
(m) The term "year of teaching experience" shall mean nine (9) months of actual teaching in the public or private schools. In no case shall more than one (1) year of teaching experience be given for all services in one (1) calendar or school year. In determining a teacher's experience, no deduction shall be made because of the temporary absence of the teacher because of illness or other good cause, and the teacher shall be given credit therefor. Beginning with the 2003-2004 school year, the State Board of Education shall fix a number of days, not to exceed forty-five (45) consecutive school days, during which a teacher may not be under contract of employment during any school year and still be considered to have been in full-time employment for a regular scholastic term. If a teacher exceeds the number of days established by the State Board of Education that a teacher may not be under contract but may still be employed, that teacher shall not be credited with a year of teaching experience. In determining the experience of school librarians, each complete year of continuous, full-time employment as a professional librarian in a public library in this or some other state shall be considered a year of teaching experience. If a full-time school administrator returns to actual teaching in the public schools, the term "year of teaching experience" shall include the period of time he or she served as a school administrator. In determining the salaries of teachers who have experience in any branch of the military, the term "year of teaching experience" shall include
each complete year of actual classroom instruction while serving in the military. In determining the experience of speech-language pathologists and audiologists, each complete year of continuous full-time post master's degree employment in an educational setting in this or some other state shall be considered a year of teaching experience. Provided, however, that school districts are authorized, in their discretion, to negotiate the salary levels applicable to certificated employees employed after July 1, 2009, who are receiving retirement benefits from the retirement system of another state, and the annual experience increment provided in Section 37-19-7 shall not be applicable to any such retired certificated employee.

(n) (i) The term "average daily attendance" shall be the figure which results when the total aggregate full-day attendance during the period or months counted is divided by the number of days during the period or months counted upon which both teachers and pupils are in regular attendance for scheduled classroom instruction, unless a pupil's absence is excused due to participation in an activity authorized by the State Board of Education under subparagraph (ii) of this paragraph **. For purposes of determining and reporting attendance, a pupil must be present for at least sixty-three percent (63%) of the instructional day, as fixed by the local school board for each school in the school district, in order to be considered in full-day attendance. Prior to full implementation of the adequate
education program the department shall deduct the average daily attendance for the alternative school program provided for in Section 37-19-22.

(ii) The State Board of Education shall define those activities necessitating a pupil's absence that, for purposes of determining and reporting attendance for average daily attendance purposes, must be considered an excused absence. Such activities include, but are not limited to: official organized events sponsored by the 4-H or Future Farmers of America (FFA); official organized junior livestock shows and rodeo events; official employment as a page at the State Capitol for the Mississippi House of Representatives or Senate; subject-matter field trips; athletic contests; student conventions; music festivals or contests; and any similar school-related activity designated by the State Board of Education. The State Board of Education shall prescribe the means by which a pupil's absence due to participation in an activity authorized by the board pursuant to this subparagraph must be verified. This subparagraph (ii) shall stand repealed on July 1, 2016.

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

(p) The term "aggregate amount of support from ad valorem taxation" shall mean the amounts produced by the district's total tax levies for operations.
(q) The term "adequate education program funds" shall mean all funds, both state and local, constituting the requirements for meeting the cost of the adequate program as provided for in Section 37-151-7.

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

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

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

(u) "Dual enrollment-dual credit programs" shall mean programs for potential or recent high school student dropouts to dually enroll in their home high school and a local community college in a dual credit program consisting of high school completion coursework and a credential, certificate or degree program at the community college, as provided in Section 37-15-38(19).

(v) "Charter school" means a public school that is established and operating under the terms of a charter contract between the school's governing board and the Mississippi Charter School Authorizer Board.

SECTION 6. Section 37-151-7, Mississippi Code of 1972, is amended as follows:
37-151-7. The annual allocation to each school district for the operation of the adequate education program shall be determined as follows:

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

(a) Determination of average daily attendance. Effective with fiscal year 2011, the State Department of Education shall determine the percentage change from the prior year of each year of each school district's average of months two (2) and three (3) average daily attendance (ADA) for the three (3) immediately preceding school years of the year for which funds are being appropriated. For any school district that experiences a positive growth in the average of months two (2) and three (3) ADA each year of the three (3) years, the average percentage growth over the three-year period shall be multiplied times the school district's average of months two (2) and three (3) ADA for the year immediately preceding the year for which MAEP funds are being appropriated. The resulting amount shall be added to the school district's average of months two (2) and three (3) ADA for the year immediately preceding the year for which MAEP funds are being appropriated to arrive at the ADA to be used in determining a school district's MAEP allocation. Otherwise, months two (2) and three (3) ADA for the year immediately preceding the year for
which MAEP funds are being appropriated will be used in determining a school district's MAEP allocation. In any fiscal year prior to 2010 in which the MAEP formula is not fully funded, for those districts that do not demonstrate a three-year positive growth in months two (2) and three (3) ADA, months one (1) through nine (9) ADA of the second preceding year for which funds are being appropriated or months two (2) and three (3) ADA of the preceding year for which funds are being appropriated, whichever is greater, shall be used to calculate the district's MAEP allocation. The district's average daily attendance shall be computed and currently maintained in accordance with regulations promulgated by the State Board of Education. The district's average daily attendance shall include any student enrolled in a Dual Enrollment-Dual Credit Program as defined and provided in Section 37-15-38(19). The State Department of Education shall make payments for Dual Enrollment-Dual Credit Programs to the home school in which the student is enrolled, in accordance with regulations promulgated by the State Board of Education. The community college providing services to students in a Dual Enrollment-Dual Credit Program shall require payment from the home school district for services provided to such students at a rate of one hundred percent (100%) of ADA. All MAEP/state funding shall cease upon completion of high school graduation requirements.
(b) **Determination of base student cost.** Effective with fiscal year 2011 and every fourth fiscal year thereafter, the State Board of Education, on or before August 1, with adjusted estimate no later than January 2, shall submit to the Legislative Budget Office and the Governor a proposed base student cost adequate to provide the following cost components of educating a pupil in a successful school district: (i) instructional cost; (ii) administrative cost; (iii) operation and maintenance of plant; and (iv) ancillary support cost. For purposes of these calculations, the Department of Education shall utilize financial data from the second preceding year of the year for which funds are being appropriated.

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

Fund 1120 Functions 1110-1199 Objects 100-999, Functions
1210, 1220, 2150-2159 Objects 210 and 215;
Fund 1130 All Functions, Object Code 210 and 215;
Fund 2001 Functions 1110-1199 Objects 100-999;
Fund 2070 Functions 1110-1199 Objects 100-999;
Fund 2420 Functions 1110-1199 Objects 100-999;
Fund 2711 All Functions, Object Code 210 and 215.

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

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

Fund 1120 Functions 2300-2599, Functions 2800-2899,
Objects 100-999;
For the plant and maintenance cost component, the Department of Education shall select districts that have been identified as instructionally successful and have a ratio of plant and maintenance expenditures per one hundred thousand (100,000) square feet of building space and a ratio of maintenance workers per one hundred thousand (100,000) square feet of building space that are both between one (1) standard deviation above the mean and two (2) standard deviations below the mean of the statewide average. The plant and maintenance cost component shall be calculated by dividing the latest available months one (1) through nine (9) ADA of the selected districts into the plant and maintenance expenditures of these selected districts. For the purpose of this calculation, the Department of Education shall use the following funds, functions and objects:

- Fund 1120 Functions 2600-2699, Objects 100-699 and Objects 800-999;
- Fund 2711 Functions 2600-2699, Objects 100-699 and Objects 800-999;
- Fund 2430 Functions 2600-2699, Objects 100-699 and Objects 800-999.

For the ancillary support cost component, the Department of Education shall select districts that have been identified as instructionally successful and have a ratio of a number of
librarians, media specialists, guidance counselors and psychologists per one thousand (1,000) students that is between one (1) standard deviation above the mean and two (2) standard deviations below the mean of the statewide average of librarians, media specialists, guidance counselors and psychologists per one thousand (1,000) students. The ancillary cost component shall be calculated by dividing the latest available months one (1) through nine (9) ADA into the ancillary expenditures instructional expenditures of these selected districts. For the purpose of this calculation, the Department of Education shall use the following funds, functions and objects:

- Fund 1120 Functions 2110-2129, Objects 100-999;
- Fund 1120 Functions 2140-2149, Objects 100-999;
- Fund 1120 Functions 2220-2229, Objects 100-999;
- Fund 2001 Functions 2100-2129, Objects 100-999;
- Fund 2001 Functions 2140-2149, Objects 100-999;
- Fund 2001 Functions 2220-2229, Objects 100-999.

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

Provided, however, that the base student cost in fiscal year 1998 shall be Two Thousand Six Hundred Sixty-four Dollars ($2,664.00).
For each of the fiscal years between the recalculation of the base student cost under the provisions of this paragraph (b), the base student cost shall be increased by an amount equal to forty percent (40%) of the base student cost for the previous fiscal year, multiplied by the latest annual rate of inflation for the State of Mississippi as determined by the State Economist, plus any adjustments for additional state requirements such as, but not limited to, teacher pay raises and health insurance premium increases.

(c) **Determination of the basic adequate education program cost.** The basic amount for current operation to be included in the Mississippi Adequate Education Program for each school district shall be computed as follows:

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

(d) **Adjustment to the base student cost for at-risk pupils.** The amount to be included for at-risk pupil programs for each school district shall be computed as follows: Multiply the base student cost for the appropriate fiscal year as determined under paragraph (b) by five percent (5%), and multiply that product by the number of pupils participating in the federal free school lunch program in such school district, which yields the total adjustment for at-risk pupil programs for such school district.
(e) **Add-on program cost.** The amount to be allocated to school districts in addition to the adequate education program cost for add-on programs for each school district shall be computed as follows:

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

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

* * *

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

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

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

(vi) University-based programs shall be the amount allocated to school districts for those university-based programs for handicapped children as defined and provided for in Section 37-23-131 et seq., Mississippi Code of 1972.
Bus driver training programs shall be the amount provided for those driver training programs as provided for in Section 37-41-1.

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

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

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

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

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

(a) The State Department of Education shall certify to each school district that twenty-eight (28) mills, less the estimated amount of the yield of the School Ad Valorem Tax Reduction Fund grants as determined by the State Department of Education, is the millage rate required to provide the district required local effort for that year, or twenty-seven percent (27%) of the basic adequate education program cost for such school district as determined under paragraph (c), whichever is a lesser amount. In the case of an agricultural high school, the millage requirement shall be set at a level which generates an equitable amount per pupil to be determined by the State Board of Education. The local contribution amount for school districts in which there is located one or more charter schools will be calculated using the following methodology: using the adequate education program twenty-eight (28) mill value, or the twenty-seven percent (27%) cap amount (whichever is less) for each school district in which a charter school is located, an average per pupil amount will be calculated. This average per pupil amount will be multiplied times the number of students attending the charter school in that school district. The sum becomes the charter school's local contribution to the adequate education program.

(b) The State Department of Education shall determine the following from the annual assessment information submitted to
the department by the tax assessors of the various counties: (i) the total assessed valuation of nonexempt property for school purposes in each school district; (ii) assessed value of exempt property owned by homeowners aged sixty-five (65) or older or disabled as defined in Section 27-33-67(2) * * *; (iii) the school district's tax loss from exemptions provided to applicants under the age of sixty-five (65) and not disabled as defined in Section 27-33-67(1) * * *; and (iv) the school district's homestead reimbursement revenues.

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

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

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

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

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

(b) Provided, however, that in fiscal year 2015, any increase in the said state contribution to any district calculated under this section shall be not less than six percent (6%) in excess of the amount received by said district from state funds for fiscal year 2002; in fiscal year 2016, any increase in the said state contribution to any district calculated under this section shall be not less than four percent (4%) in excess of the amount received by said district from state funds for fiscal year 2002; in fiscal year 2017, any increase in the said state contribution to any district calculated under this section shall be not less than two percent (2%) in excess of the amount received by said district from state funds for fiscal year 2002; and in fiscal year 2018 and thereafter, any increase in the said state contribution to any district calculated under this section shall be zero percent (0%). For purposes of this paragraph (b), state funds shall include minimum program funds less the add-on programs, State Uniform Millage Assistance Grant Funds, Education Enhancement Funds appropriated for Uniform Millage Assistance Grants and state textbook allocations, and State General Funds allocated for textbooks.
(c) If the school board of any school district shall determine that it is not economically feasible or practicable to operate any school within the district for the full one hundred eighty (180) days required for a school term of a scholastic year, as required in Section 37-13-63, due to an enemy attack, a man-made, technological or natural disaster in which the Governor has declared a disaster emergency under the laws of this state or the President of the United States has declared an emergency or major disaster to exist in this state, said school board may notify the State Department of Education of such disaster and submit a plan for altering the school term. If the State Board of Education finds such disaster to be the cause of the school not operating for the contemplated school term and that such school was in a school district covered by the Governor's or President's disaster declaration, it may permit said school board to operate the schools in its district for less than one hundred eighty (180) days and, in such case, the State Department of Education shall not reduce the state contributions to the adequate education program allotment for such district, because of the failure to operate said schools for one hundred eighty (180) days.

(4) The Interim School District Capital Expenditure Fund is hereby established in the State Treasury which shall be used to distribute any funds specifically appropriated by the Legislature to such fund to school districts entitled to increased allocations of state funds under the adequate education program funding.
formula prescribed in Sections 37-151-3 through ★ ★ ★ this section
until such time as the said adequate education program is fully
funded by the Legislature. The following percentages of the total
state cost of increased allocations of funds under the adequate
education program funding formula shall be appropriated by the
Legislature into the Interim School District Capital Expenditure
Fund to be distributed to all school districts under the formula:
Nine and two-tenths percent (9.2%) shall be appropriated in fiscal
year 1998, twenty percent (20%) shall be appropriated in fiscal
year 1999, forty percent (40%) shall be appropriated in fiscal
year 2000, sixty percent (60%) shall be appropriated in fiscal
year 2001, eighty percent (80%) shall be appropriated in fiscal
year 2002, and one hundred percent (100%) shall be appropriated in
fiscal year 2003 into the State Adequate Education Program Fund.
Until July 1, 2002, such money shall be used by school districts
for the following purposes:
    (a) Purchasing, erecting, repairing, equipping,
remodeling and enlarging school buildings and related facilities,
including gymnasiums, auditoriums, lunchrooms, vocational training
buildings, libraries, school barns and garages for transportation
vehicles, school athletic fields and necessary facilities
connected therewith, and purchasing land therefor. Any such
capital improvement project by a school district shall be approved
by the State Board of Education, and based on an approved
long-range plan. The State Board of Education shall promulgate
minimum requirements for the approval of school district capital expenditure plans.

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

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

(d) From and after October 1, 1997, through June 30, 1998, pursuant to a school district capital expenditure plan approved by the State Department of Education, a school district may pledge such funds until July 1, 2002, plus funds provided for in paragraph (e) of this subsection (4) that are not otherwise permanently pledged under such paragraph (e) to pay all or a portion of the debt service on debt issued by the school district under Sections 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302 and 37-41-81, *** or debt issued by boards of supervisors for agricultural high schools pursuant to Section 37-27-65, *** or lease-purchase contracts entered into pursuant to Section 31-7-13, *** or to retire or refinance outstanding debt of a district, if such pledge is accomplished pursuant to a written contract or resolution approved and spread upon the minutes of an official meeting of the district's school board or
board of supervisors. It is the intent of this provision to allow
school districts to irrevocably pledge their Interim School
District Capital Expenditure Fund allotments as a constant stream
of revenue to secure a debt issued under the foregoing code
sections. To allow school districts to make such an irrevocable
pledge, the state shall take all action necessary to ensure that
the amount of a district's Interim School District Capital
Expenditure Fund allotments shall not be reduced below the amount
certified by the department or the district's total allotment
under the Interim Capital Expenditure Fund if fully funded, so
long as such debt remains outstanding.

(e) [Repealed]

(f) [Repealed]

(g) The State Board of Education may authorize the
school district to expend not more than twenty percent (20%) of
its annual allotment of such funds or Twenty Thousand Dollars
($20,000.00), whichever is greater, for technology needs of the
school district, including computers, software,
telecommunications, cable television, interactive video, film,
low-power television, satellite communications, microwave
communications, technology-based equipment installation and
maintenance, and the training of staff in the use of such
technology-based instruction. Any such technology expenditure
shall be reflected in the local district technology plan approved
by the State Board of Education under Section 37-151-17 * * *.
(h) To the extent a school district has not utilized twenty percent (20%) of its annual allotment for technology purposes under paragraph (g), a school district may expend not more than twenty percent (20%) of its annual allotment or Twenty Thousand Dollars ($20,000.00), whichever is greater, for instructional purposes. The State Board of Education may authorize a school district to expend more than said twenty percent (20%) of its annual allotment for instructional purposes if it determines that such expenditures are needed for accreditation purposes.

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

Any interest accruing on any unexpended balance in the Interim School District Capital Expenditure Fund shall be invested by the State Treasurer and placed to the credit of each school district participating in such fund in its proportionate share.
The provisions of this subsection (4) shall be cumulative and supplemental to any existing funding programs or other authority conferred upon school districts or school boards.

(5) The State Department of Education shall make payments to charter schools for each student in average daily attendance at the charter school equal to the state share of the adequate education program payments for each student in average daily attendance at the school district in which the public charter school is located. In calculating the local contribution for purposes of determining the state share of the adequate education program payments, the department shall deduct the pro rata local contribution of the school district in which the student resides as determined in subsection (2)(a) of this section.

SECTION 7. Section 37-151-81, Mississippi Code of 1972, is amended as follows:

37-151-81. * * *

( * * * ) In addition to the allowances provided above, for each handicapped child who is being educated by a public school district or is placed in accord with Section 37-23-77 * * * and whose individualized educational program (IEP) requires an extended school year in accord with the State Department of Education criteria, a sufficient amount of funds shall be allocated for the purpose of providing the educational services the student requires. The State Board of Education shall promulgate such regulations as are required to insure the
equitable distribution of these funds. All costs for the extended school year for a particular summer shall be reimbursed from funds appropriated for the fiscal year beginning July 1 of that summer. If sufficient funds are not made available to finance all of the required educational services, the State Department of Education shall expend available funds in such a manner that it does not limit the availability of appropriate education to handicapped students more severely than it does to nonhandicapped students.

( ** ** 2) The State Department of Education is hereby authorized to match adequate education program and other funds allocated for provision of services to handicapped children with Division of Medicaid funds to provide language-speech services, physical therapy and occupational therapy to handicapped students who meet State Department of Education or Division of Medicaid standards and who are Medicaid eligible. Provided further, that the State Department of Education is authorized to pay such funds as may be required as a match directly to the Division of Medicaid pursuant to an agreement to be developed between the State Department of Education and the Division of Medicaid.

( ** ** 3) In addition to other funds provided for in this chapter, there shall be added to the allotment for each school district for each teacher employed in a State Department of Education approved program for gifted education, as defined in Sections 37-23-173 through 37-23-181, ** ** the value of one hundred percent (100%) of the adequate education program salary
schedule prescribed in Section 37-19-7 * * * based on the type of certificate and number of years' teaching experience held by each approved gifted education teacher plus one hundred percent (100%) of the applicable employer's rate for social security and state retirement.

( * * *4) When any children who are residents of the State of Mississippi and qualify under the provisions of Section 37-23-31 * * * shall be provided a program of education, instruction and training within a school under the provisions of said section, the State Department of Education shall allocate the value of one hundred percent (100%) of the adequate education program salary schedule prescribed in Section 37-19-7 * * * for each approved program based on the type of certificate and number of years' teaching experience held by each approved teacher plus one hundred percent (100%) of the applicable employer's rate for social security and state retirement. The university or college shall be eligible for state and federal funds for such programs on the same basis as local school districts. The university or college shall be responsible for providing for the additional costs of the program.

( * * *5) In addition to the allotments provided above, a school district may provide a program of education and instruction to children ages five (5) years through twenty-one (21) years, who are resident citizens of the State of Mississippi, who cannot have their educational needs met in a regular public school
program and who have not finished or graduated from high school, if those children are determined by competent medical authorities and psychologists to need placement in a state licensed facility for inpatient treatment, day treatment or residential treatment or a therapeutic group home. Such program shall operate under rules, regulations, policies and standards of school districts as determined by the State Board of Education. If a private school approved by the State Board of Education is operated as an integral part of the state licensed facility that provides for the treatment of such children, the private school within the facility may provide a program of education, instruction and training to such children by requesting the State Department of Education to allocate one (1) teacher unit or a portion of a teacher unit for each approved class. The facility shall be responsible for providing any additional costs of the program.

Such funds will be allotted based on the type of certificate and number of years' teaching experience held by each approved teacher. Such children shall not be counted in average daily attendance when determining regular teacher unit allocation.

SECTION 8. This act shall take effect and be in force from and after its passage.

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

AN ACT TO CREATE THE "SPECIAL EDUCATION IMPROVEMENT ACT OF 2015"; TO REQUIRE FUNDING FOR SPECIAL EDUCATION TO BE
APPROPRIATED TO THE STATE BOARD OF EDUCATION AS A SEPARATE LINE ITEM IN THE K-12 EDUCATION GENERAL SUPPORT APPROPRIATIONS BILL; TO PRESCRIBE A FORMULA FOR DETERMINING ALLOCATIONS OF SPECIAL EDUCATION FUNDS TO THE LOCAL SCHOOL DISTRICTS; TO REQUIRE THE STATE DEPARTMENT OF EDUCATION TO EMPLOY A COORDINATOR OF AUTISM SPECTRUM DISORDER SERVICES; TO ESTABLISH THE CHILDREN WITH SPECIAL NEEDS FUND, TO BE ADMINISTERED BY THE STATE DEPARTMENT OF HEALTH, FOR THE PURPOSE OF PROVIDING FINANCIAL ASSISTANCE TO FAMILIES OF CHILDREN WITH SPECIAL NEEDS; TO DESCRIBE THE SERVICES AND EQUIPMENT FOR WHICH FUNDS MAY BE USED; TO ESTABLISH ELIGIBILITY CRITERIA FOR APPLICANTS FOR FUNDS; TO REQUIRE THE STATE DEPARTMENT OF HEALTH TO DEVELOP GUIDELINES CONCERNING APPLICATIONS FOR ASSISTANCE FROM THE FUND; TO REQUIRE THE STATE AUDITOR TO OVERSEE THE FUND'S OPERATIONS AND TO ANNUALLY REPORT TO THE LEGISLATURE ON THE FUND’S ACTIVITIES; TO AMEND SECTIONS 37-151-5, 37-151-7 AND 37-151-81, MISSISSIPPI CODE OF 1972, TO REMOVE SPECIAL EDUCATION PROGRAMS FROM THE ADD-ON PROGRAM COSTS INCLUDED IN APPROPRIATIONS UNDER THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM; AND FOR RELATED PURPOSES.