

By: Representative Bell (21st)

To: Workforce Development;
Appropriations

HOUSE BILL NO. 525

1 AN ACT TO ESTABLISH A PROGRAM IN THE STATE DEPARTMENT OF
 2 EDUCATION TO MAKE FUNDING AVAILABLE TO SCHOOL DISTRICTS FOR THE
 3 PURPOSE OF ENHANCING VOCATIONAL EDUCATION PROGRAMS IN THE PUBLIC
 4 SCHOOL SYSTEM; TO SPECIFY CERTAIN INFORMATION THAT MUST BE
 5 INCLUDED IN A SCHOOL DISTRICT'S APPLICATION FOR AN ALLOCATION OF
 6 FUNDS UNDER THE PROGRAM; TO REQUIRE THE STATE BOARD OF EDUCATION
 7 TO ADOPT RULES AND REGULATIONS GOVERNING THE APPLICATION PROCESS;
 8 TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS TO
 9 PROVIDE FUNDS FOR THE STATE DEPARTMENT OF EDUCATION TO MAKE FUNDING
 10 AVAILABLE TO SCHOOL DISTRICTS FOR THE PURPOSE OF ENHANCING
 11 VOCATIONAL EDUCATION PROGRAMS IN THE PUBLIC SCHOOL SYSTEM; AND FOR
 12 RELATED PURPOSES.

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

14 **SECTION 1.** (1) (a) There is established within the State
 15 Department of Education a program to make funding available to
 16 school districts for the purpose of making needed improvements to
 17 the vocational and technical education programs in the public
 18 school system. Under the program, the State Department of
 19 Education may make allocations to eligible school districts that
 20 request funding to defray the expense of making certain
 21 improvements to the vocational education program in those
 22 districts.



23 (b) (i) A special fund, to be designated as the "2018
24 Public School Vocational and Technical Education Fund," is created
25 within the State Treasury. The fund must be maintained by the
26 State Treasurer as a separate and special fund, separate and apart
27 from the General Fund of the state. Unexpended amounts remaining
28 in the fund at the end of a fiscal year do not lapse into the
29 State General Fund, and any interest earned or investment earnings
30 on amounts in the fund must be deposited into the fund.

31 (ii) Monies deposited into the fund must be
32 disbursed, in the discretion of the State Department of Education,
33 to provide funds to school districts in the state for the purposes
34 described in this section.

35 (2) Any school district seeking funding under the program
36 established under this section must submit a written application
37 to the State Board of Education. The application must include no
38 less than the following information:

39 (a) The specific dollar amount of funds being
40 requested;

41 (b) A detailed description of the improvements for
42 which the funds are needed, which may include, but need not be
43 limited to: expanding vocational and technical education
44 facilities; repairing, upgrading or replacing existing equipment;
45 purchasing new equipment necessary to implement training in skills
46 or a trade previously not taught in the school district, which
47 training is necessitated by new job skill sets required to support



48 new or expanding industry in the vicinity of the school district;
49 providing training to vocational education instructors in the
50 latest applications and advancements in technology and in the use
51 of technology and equipment new to the school district; employing
52 additional vocational and technical education teachers needed to
53 meet the needs of training in a specific technology or due to a
54 documented increase in student enrollment; and such other purposes
55 determined to be appropriate by the State Department of Education;

56 (c) An explanation of the justifiable need for the
57 funds, supported by documentation reflecting an increase in the
58 number of students enrolled in or desiring to enroll in the
59 particular vocational training program to be enhanced by the
60 expenditures;

61 (d) Evidence of the vocational and technical education
62 program's success in providing training to students which has
63 enabled those students to be gainfully employed in an industry
64 dependent upon the training received through the vocational
65 education program; and

66 (e) Any other information that may be required by the
67 State Board of Education.

68 (3) The State Board of Education shall adopt rules and
69 regulations governing the application process and establishing the
70 criteria under which determinations on requests for allocations
71 under the program will be made.



72 (4) For the 2019 fiscal year, the Legislature shall either
73 issue bonds as provided in Section 2 of this act or appropriate an
74 amount not to exceed Ten Million Dollars (\$10,000,000.00) out of
75 any money in the State General Fund not otherwise appropriated to
76 the State Department of Education for the purposes of this
77 section.

78 **SECTION 2.** (1) As used in this section, the following words
79 and phrases have the meanings ascribed in this subsection unless
80 the context clearly requires otherwise:

81 (a) "Accreted value" of any bonds means, as of any date
82 of computation, an amount equal to the sum of (i) the stated
83 initial value of such bond, plus (ii) the interest accrued thereon
84 from the issue date to the date of computation at the rate,
85 compounded semiannually, that is necessary to produce the
86 approximate yield to maturity shown for bonds of the same
87 maturity.

88 (b) "State" means the State of Mississippi.

89 (c) "Commission" means the State Bond Commission.

90 (2) (a) The Commission, at one time, or from time to time,
91 may declare by resolution the necessity for issuance of general
92 obligation bonds of the State of Mississippi to provide funds for
93 the program authorized in Section 1 of this act. Upon the
94 adoption of a resolution by the State Department of Education,
95 declaring the necessity for the issuance of any part or all of the
96 general obligation bonds authorized by this subsection, the State



97 Department of Education shall deliver a certified copy of its
98 resolution or resolutions to the commission. Upon receipt of such
99 resolution, the commission, in its discretion, may act as the
100 issuing agent, prescribe the form of the bonds, determine the
101 appropriate method for sale of the bonds, advertise for and accept
102 bids or negotiate the sale of the bonds, issue and sell the bonds
103 so authorized to be sold, and do any and all other things
104 necessary and advisable in connection with the issuance and sale
105 of such bonds. The total amount of bonds issued under this
106 section shall not exceed Ten Million Dollars (\$10,000,000.00);
107 however, the amount of bonds authorized to be issued under this
108 section shall be reduced by the amount of any funds appropriated
109 by the Legislature for the purposes provided in Section 1 of this
110 act. No bonds authorized under this section shall be issued after
111 July 1, 2022.

112 (b) The proceeds of bonds issued pursuant to this
113 section shall be deposited into the 2018 Public School Vocational
114 and Technical Education Fund created pursuant to Section 1 of this
115 act. Any investment earnings on bonds issued pursuant to this
116 section shall be used to pay debt service on bonds issued under
117 this section, in accordance with the proceedings authorizing
118 issuance of such bonds.

119 (3) The principal of and interest on the bonds authorized
120 under this section shall be payable in the manner provided in this
121 subsection. Such bonds shall bear such date or dates, be in such



122 denomination or denominations, bear interest at such rate or rates
123 (not to exceed the limits set forth in Section 75-17-101,
124 Mississippi Code of 1972), be payable at such place or places
125 within or without the State of Mississippi, shall mature
126 absolutely at such time or times not to exceed twenty-five (25)
127 years from date of issue, be redeemable before maturity at such
128 time or times and upon such terms, with or without premium, shall
129 bear such registration privileges, and shall be substantially in
130 such form, all as shall be determined by resolution of the
131 commission.

132 (4) The bonds authorized by this section shall be signed by
133 the chairman of the commission, or by his facsimile signature, and
134 the official seal of the commission shall be affixed thereto,
135 attested by the secretary of the commission. The interest
136 coupons, if any, to be attached to such bonds may be executed by
137 the facsimile signatures of such officers. Whenever any such
138 bonds shall have been signed by the officials designated to sign
139 the bonds who were in office at the time of such signing but who
140 may have ceased to be such officers before the sale and delivery
141 of such bonds, or who may not have been in office on the date such
142 bonds may bear, the signatures of such officers upon such bonds
143 and coupons shall nevertheless be valid and sufficient for all
144 purposes and have the same effect as if the person so officially
145 signing such bonds had remained in office until their delivery to
146 the purchaser, or had been in office on the date such bonds may



147 bear. However, notwithstanding anything herein to the contrary,
148 such bonds may be issued as provided in the Registered Bond Act of
149 the State of Mississippi.

150 (5) All bonds and interest coupons issued under the
151 provisions of this section have all the qualities and incidents of
152 negotiable instruments under the provisions of the Uniform
153 Commercial Code, and in exercising the powers granted by this
154 section, the commission shall not be required to and need not
155 comply with the provisions of the Uniform Commercial Code.

156 (6) The commission shall act as issuing agent for the bonds
157 authorized under this section, prescribe the form of the bonds,
158 determine the appropriate method for sale of the bonds, advertise
159 for and accept bids or negotiate the sale of the bonds, issue and
160 sell the bonds so authorized to be sold, pay all fees and costs
161 incurred in such issuance and sale, and do any and all other
162 things necessary and advisable in connection with the issuance and
163 sale of such bonds. The commission is authorized and empowered to
164 pay the costs that are incident to the sale, issuance and delivery
165 of the bonds authorized under this section from the proceeds
166 derived from the sale of such bonds. The commission may sell such
167 bonds on sealed bids at public sale or may negotiate the sale of
168 the bonds for such price as it may determine to be for the best
169 interest of the State of Mississippi. All interest accruing on
170 such bonds so issued shall be payable semiannually or annually.



171 If such bonds are sold by sealed bids at public sale, notice
172 of the sale shall be published at least one time, not less than
173 ten (10) days before the date of sale, and shall be so published
174 in one or more newspapers published or having a general
175 circulation in the City of Jackson, Mississippi, selected by the
176 commission.

177 The commission, when issuing any bonds under the authority of
178 this section, may provide that bonds, at the option of the State
179 of Mississippi, may be called in for payment and redemption at the
180 call price named therein and accrued interest on such date or
181 dates named therein.

182 (7) The bonds issued under the provisions of this section
183 are general obligations of the State of Mississippi, and for the
184 payment thereof the full faith and credit of the State of
185 Mississippi is irrevocably pledged. If the funds appropriated by
186 the Legislature are insufficient to pay the principal of and the
187 interest on such bonds as they become due, then the deficiency
188 shall be paid by the State Treasurer from any funds in the State
189 Treasury not otherwise appropriated. All such bonds shall contain
190 recitals on their faces substantially covering the provisions of
191 this subsection.

192 (8) Upon the issuance and sale of bonds under the provisions
193 of this section, the commission shall transfer the proceeds of any
194 such sale or sales to the special fund created in Section 1 of
195 this act. The proceeds of such bonds shall be disbursed solely



196 upon the order of the State Department of Education under such
197 restrictions, if any, as may be contained in the resolution
198 providing for the issuance of the bonds.

199 (9) The bonds authorized under this section may be issued
200 without any other proceedings or the happening of any other
201 conditions or things other than those proceedings, conditions and
202 things which are specified or required by this section. Any
203 resolution providing for the issuance of bonds under the
204 provisions of this section shall become effective immediately upon
205 its adoption by the commission, and any such resolution may be
206 adopted at any regular or special meeting of the commission by a
207 majority of its members.

208 (10) The bonds authorized under the authority of this
209 section may be validated in the Chancery Court of the First
210 Judicial District of Hinds County, Mississippi, in the manner and
211 with the force and effect provided by Chapter 13, Title 31,
212 Mississippi Code of 1972, for the validation of county, municipal,
213 school district and other bonds. The notice to taxpayers required
214 by such statutes shall be published in a newspaper published or
215 having a general circulation in the City of Jackson, Mississippi.

216 (11) Any holder of bonds issued under the provisions of this
217 section or of any of the interest coupons pertaining thereto may,
218 either at law or in equity, by suit, action, mandamus or other
219 proceeding, protect and enforce any and all rights granted under
220 this section, or under such resolution, and may enforce and compel



221 performance of all duties required by this section to be
222 performed, in order to provide for the payment of bonds and
223 interest thereon.

224 (12) All bonds issued under the provisions of this section
225 shall be legal investments for trustees and other fiduciaries, and
226 for savings banks, trust companies and insurance companies
227 organized under the laws of the State of Mississippi, and such
228 bonds shall be legal securities which may be deposited with and
229 shall be received by all public officers and bodies of this state
230 and all municipalities and political subdivisions for the purpose
231 of securing the deposit of public funds.

232 (13) Bonds issued under the provisions of this section and
233 income therefrom shall be exempt from all taxation in the State of
234 Mississippi.

235 (14) The proceeds of the bonds issued under this section
236 shall be used solely for the purposes therein provided, including
237 the costs incident to the issuance and sale of such bonds.

238 (15) The State Treasurer is authorized, without further
239 process of law, to certify to the Department of Finance and
240 Administration the necessity for warrants, and the Department of
241 Finance and Administration is authorized and directed to issue
242 such warrants, in such amounts as may be necessary to pay when due
243 the principal of, premium, if any, and interest on, or the
244 accreted value of, all bonds issued under this section; and the
245 State Treasurer shall forward the necessary amount to the



246 designated place or places of payment of such bonds in ample time
247 to discharge such bonds, or the interest thereon, on the due dates
248 thereof.

249 (16) This section shall be deemed to be full and complete
250 authority for the exercise of the powers therein granted, but this
251 section shall not be deemed to repeal or to be in derogation of
252 any existing law of this state.

253 **SECTION 3.** This act shall take effect and be in force from
254 and after July 1, 2018.

