

By: Senator(s) Tollison

To: Education

SENATE BILL NO. 2626

1 AN ACT TO AMEND SECTION 37-151-5, MISSISSIPPI CODE OF 1972,
2 TO DEFINE THE TERM "AVERAGE DAILY MEMBERSHIP (ADM)" FOR PURPOSES
3 OF THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM; TO AMEND SECTION
4 37-151-7, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE
5 DETERMINATION OF THE BASIC ADEQUATE EDUCATION PROGRAM COST FOR
6 EACH SCHOOL DISTRICT BASED ON STUDENT AVERAGE DAILY MEMBERSHIP
7 WITH CERTAIN EXCEPTIONS; TO PROVIDE FOR STUDENT COUNTS BY THE
8 STATE AUDITOR; TO AMEND SECTIONS 37-151-85, 37-151-97 AND
9 37-151-103, MISSISSIPPI CODE OF 1972, IN CONFORMITY; AND FOR
10 RELATED PURPOSES.

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

12 **SECTION 1.** Section 37-151-5, Mississippi Code of 1972, is
13 amended as follows:

14 37-151-5. As used in Sections 37-151-5 and 37-151-7:

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



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

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

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

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

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

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



47 (d) "Base student cost" shall mean the funding level
48 necessary for providing an adequate education program for one (1)
49 base student, subject to any minimum amounts prescribed in Section
50 37-151-7(1).

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

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

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

61 (iii) "Special education program" shall mean a
62 program for exceptional children as defined and authorized by
63 Sections 37-23-1 through 37-23-9, and approved by the State
64 Department of Education and provided from state funds.

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

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



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

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

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

(f) "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.

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

(h) "Superintendent" shall mean the head of a school district.

(i) "School district" shall mean any type of school district in the State of Mississippi, and shall include agricultural high schools.

(j) "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 percent (60) of the instructional day, as fixed by the local school board for each



97 school in the school district. It is the intent of the
98 Legislature that any tax levies generated to produce additional
99 local funds required by any school district to operate school
100 terms in excess of one hundred seventy-five (175) days shall not
101 be construed to constitute a new program for the purposes of
102 exemption from the limitation on tax revenues as allowed under
103 Sections 27-39-321 and 37-57-107 for new programs mandated by the
104 Legislature.

105 (k) The term "transportation density" shall mean the
106 number of transported children in average daily * * * membership
107 per square mile of area served in a school district, as determined
108 by the State Department of Education.

109 (l) The term "transported children" shall mean children
110 being transported to school who live within legal limits for
111 transportation and who are otherwise qualified for being
112 transported to school at public expense as fixed by Mississippi
113 state law.

114 (m) The term "year of teaching experience" shall mean
115 nine (9) months of actual teaching in the public or private
116 elementary and secondary schools and shall also include nine (9)
117 months of actual teaching at postsecondary institutions accredited
118 by the Southern Association of Colleges and Schools (SACS) or
119 equivalent regional accrediting body for degree-granting
120 postsecondary institutions. In no case shall more than one (1)
121 year of teaching experience be given for all services in one (1)



122 calendar or school year. In determining a teacher's experience,
123 no deduction shall be made because of the temporary absence of the
124 teacher because of illness or other good cause, and the teacher
125 shall be given credit therefor. Beginning with the 2003-2004
126 school year, the State Board of Education shall fix a number of
127 days, not to exceed forty-five (45) consecutive school days,
128 during which a teacher may not be under contract of employment
129 during any school year and still be considered to have been in
130 full-time employment for a regular scholastic term. If a teacher
131 exceeds the number of days established by the State Board of
132 Education that a teacher may not be under contract but may still
133 be employed, that teacher shall not be credited with a year of
134 teaching experience. In determining the experience of school
135 librarians, each complete year of continuous, full-time employment
136 as a professional librarian in a public library in this or some
137 other state shall be considered a year of teaching experience. If
138 a full-time school administrator returns to actual teaching in the
139 public schools, the term "year of teaching experience" shall
140 include the period of time he or she served as a school
141 administrator. In determining the salaries of teachers who have
142 experience in any branch of the military, the term "year of
143 teaching experience" shall include each complete year of actual
144 classroom instruction while serving in the military. In
145 determining the experience of speech-language pathologists and
146 audiologists, each complete year of continuous full-time post



147 master's degree employment in an educational setting in this or
148 some other state shall be considered a year of teaching
149 experience. Provided, however, that school districts are
150 authorized, in their discretion, to negotiate the salary levels
151 applicable to certificated employees employed after July 1, 2009,
152 who are receiving retirement benefits from the retirement system
153 of another state, and the annual experience increment provided in
154 Section 37-19-7 shall not be applicable to any such retired
155 certificated employee.

156 (n) (i) The term "average daily attendance" shall be
157 the figure which results when the total aggregate full-day
158 attendance during the period or months counted is divided by the
159 number of days during the period or months counted upon which both
160 teachers and pupils are in regular attendance for scheduled
161 classroom instruction, * * * less the average daily attendance for
162 self-contained special education classes. * * * Prior to full
163 implementation of the adequate education program the department
164 shall deduct the average daily attendance for the alternative
165 school program provided for in Section 37-19-22.

166 (ii) * * * The term "average daily membership" or
167 "ADM" shall be the figure which results when the total aggregate
168 student enrollment during the period or months counted is divided
169 by the number of days during the period or months counted upon
170 which both teachers and pupils are in regular attendance for
171 scheduled classroom instruction. However, if a local school board



adopts a class schedule that operates throughout the year for all
or any schools in the district, average daily membership shall be
computed by the State Department of Education so that the
resulting average daily membership will not be higher or lower
than if the local school board had not adopted such schedule.

(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 2. 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 * * * membership (ADM).** Effective with fiscal year * * * 2019, 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 * * * membership (ADM) 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) * * * average daily membership (ADM) 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) * * * average daily membership (ADM) 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) * * * average daily membership (ADM) for the year immediately preceding the year for which MAEP funds are being appropriated to arrive at the * * * average daily membership (ADM) to be used in determining a school district's MAEP allocation. Otherwise, months two (2) and three (3) * * * average daily membership (ADM) 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. * * * The district's average daily attendance and average daily membership (ADM) shall be computed and currently maintained in accordance with regulations promulgated by the State Board of Education. The district's average daily attendance or average daily membership (ADM) 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 * * * base student cost. All MAEP/state funding shall cease upon completion of high school graduation requirements.

The State Auditor shall make one (1) actual count of students in month two (2) and one (1) actual count of students in month three (3) of the school year. The State Auditor shall not be required to count students in all local school districts during this time period, but shall make a concerted effort to count students in as many local districts as practical. No advance notice shall be given to a school when a count is scheduled to be conducted, however a count may be postponed due to extraordinary circumstances such as a natural disaster or fire. If the State Auditor finds that the average of the two (2) counts made under the provisions of this chapter shows that the number of students enrolled and in actual attendance in any school is as much below the number reported to the State Department of Education for month two (2) and for month three (3) for the applicable scholastic year, then the State Auditor shall certify the same to the State Department of Education no later than December 11 of the scholastic year during which the counts were made. The State Department of Education shall thereupon reduce the amount of state funds allotted to the school district for the Mississippi Adequate



Education Program (MAEP) for the ensuing scholastic year as follows:

For each school district whose reported average daily attendance is in excess of one hundred three percent (103%) of the average number of students actually counted by the examiners, the State Department of Education shall use one hundred three percent (103%) of the average count by the examiners as the average daily attendance for this school district in allotting MAEP funds for the next school session if funding for that school district is based on average daily attendance (ADA) and not average daily membership (ADM).

(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) * * * average daily membership (ADM) 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



322 staff to nonadministrative staff between one (1) standard
323 deviation above the mean and two (2) standard deviations below the
324 mean of the statewide average administrative staff to
325 nonadministrative staff. The administrative cost component shall
326 be calculated by dividing the latest available months one (1)
327 through nine (9) * * * average daily membership (ADM) of the
328 selected districts into the administrative expenditures of these
329 selected districts. For the purpose of this calculation, the
330 Department of Education shall use the following funds, functions
331 and objects:

332 Fund 1120 Functions 2300-2599, Functions 2800-2899,

333 Objects 100-999;

334 Fund 2711 Functions 2300-2599, Functions 2800-2899,

335 Objects 100-999.

336 For the plant and maintenance cost component, the Department
337 of Education shall select districts that have been identified as
338 instructionally successful and have a ratio of plant and
339 maintenance expenditures per one hundred thousand (100,000) square
340 feet of building space and a ratio of maintenance workers per one
341 hundred thousand (100,000) square feet of building space that are
342 both between one (1) standard deviation above the mean and two (2)
343 standard deviations below the mean of the statewide average. The
344 plant and maintenance cost component shall be calculated by
345 dividing the latest available months one (1) through nine
346 (9) * * * average daily membership (ADM) 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) * * * average daily membership (ADM) 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;



372 Fund 1120 Functions 2220-2229, Objects 100-999;
373 Fund 2001 Functions 2100-2129, Objects 100-999;
374 Fund 2001 Functions 2140-2149, Objects 100-999;
375 Fund 2001 Functions 2220-2229, Objects 100-999.

376 The total base cost for each year shall be the sum of the
377 instructional cost component, administrative cost component, plant
378 and maintenance cost component and ancillary support cost
379 component, and any estimated adjustments for additional state
380 requirements as determined by the State Board of Education.
381 Provided, however, that the base student cost in fiscal year 1998
382 shall be Two Thousand Six Hundred Sixty-four Dollars (\$2,664.00).

383 For each of the fiscal years between the recalculation of the
384 base student cost under the provisions of this paragraph (b), the
385 base student cost shall be increased by an amount equal to forty
386 percent (40%) of the base student cost for the previous fiscal
387 year, multiplied by the latest annual rate of inflation for the
388 State of Mississippi as determined by the State Economist, plus
389 any adjustments for additional state requirements such as, but not
390 limited to, teacher pay raises and health insurance premium
391 increases.

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



Beginning with 2018-2019 school year, multiply the average daily * * * membership (ADM) of the district by the base student cost as established by the Legislature, which yields the total base program cost for each school district. Provided, however, that beginning with the 2018-2019 school year the total base program cost for each school district shall be based on the average daily membership (ADM) unless average daily attendance (ADA) is less than ninety-five percent (95%) of average daily membership (ADM) and then shall be funded based on average daily attendance (ADA).

(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:



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

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

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

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

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

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

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

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



The sum of the items listed above (i) transportation, (ii) vocational or technical education, (iii) special education, (iv) gifted education, (v) alternative school, (vi) extended school year, (vii) university-based, and (viii) 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), Mississippi Code of



1972; (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), Mississippi Code of 1972; 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



518 section from the total projected adequate education program cost
519 as set forth in subsection (1)(f) of this section.

520 (b) Provided, however, that in fiscal year 2015, any
521 increase in the said state contribution to any district calculated
522 under this section shall be not less than six percent (6%) in
523 excess of the amount received by said district from state funds
524 for fiscal year 2002; in fiscal year 2016, any increase in the
525 said state contribution to any district calculated under this
526 section shall be not less than four percent (4%) in excess of the
527 amount received by said district from state funds for fiscal year
528 2002; in fiscal year 2017, any increase in the said state
529 contribution to any district calculated under this section shall
530 be not less than two percent (2%) in excess of the amount received
531 by said district from state funds for fiscal year 2002; and in
532 fiscal year 2018 and thereafter, any increase in the said state
533 contribution to any district calculated under this section shall
534 be zero percent (0%). For purposes of this paragraph (b), state
535 funds shall include minimum program funds less the add-on
536 programs, State Uniform Millage Assistance Grant Funds, Education
537 Enhancement Funds appropriated for Uniform Millage Assistance
538 Grants and state textbook allocations, and State General Funds
539 allocated for textbooks. This paragraph (b) shall stand repealed
540 from and after July 1, 2019.

541 (c) If the school board of any school district shall
542 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, Mississippi Code of 1972, 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 37-151-7,



Mississippi Code of 1972, 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



593 minimum requirements for the approval of school district capital
594 expenditure plans.

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

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

602 (d) From and after October 1, 1997, through June 30,
603 1998, pursuant to a school district capital expenditure plan
604 approved by the State Department of Education, a school district
605 may pledge such funds until July 1, 2002, plus funds provided for
606 in paragraph (e) of this subsection (4) that are not otherwise
607 permanently pledged under such paragraph (e) to pay all or a
608 portion of the debt service on debt issued by the school district
609 under Sections 37-59-1 through 37-59-45, 37-59-101 through
610 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
611 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
612 issued by boards of supervisors for agricultural high schools
613 pursuant to Section 37-27-65, Mississippi Code of 1972, or
614 lease-purchase contracts entered into pursuant to Section 31-7-13,
615 Mississippi Code of 1972, or to retire or refinance outstanding
616 debt of a district, if such pledge is accomplished pursuant to a
617 written contract or resolution approved and spread upon the



618 minutes of an official meeting of the district's school board or
619 board of supervisors. It is the intent of this provision to allow
620 school districts to irrevocably pledge their Interim School
621 District Capital Expenditure Fund allotments as a constant stream
622 of revenue to secure a debt issued under the foregoing code
623 sections. To allow school districts to make such an irrevocable
624 pledge, the state shall take all action necessary to ensure that
625 the amount of a district's Interim School District Capital
626 Expenditure Fund allotments shall not be reduced below the amount
627 certified by the department or the district's total allotment
628 under the Interim Capital Expenditure Fund if fully funded, so
629 long as such debt remains outstanding.

630 (e) [Repealed]

631 (f) [Repealed]

632 (g) The State Board of Education may authorize the
633 school district to expend not more than twenty percent (20%) of
634 its annual allotment of such funds or Twenty Thousand Dollars
635 (\$20,000.00), whichever is greater, for technology needs of the
636 school district, including computers, software,
637 telecommunications, cable television, interactive video, film,
638 low-power television, satellite communications, microwave
639 communications, technology-based equipment installation and
640 maintenance, and the training of staff in the use of such
641 technology-based instruction. Any such technology expenditure
642 shall be reflected in the local district technology plan approved



643 by the State Board of Education under Section 37-151-17,
644 Mississippi Code of 1972.

645 (h) To the extent a school district has not utilized
646 twenty percent (20%) of its annual allotment for technology
647 purposes under paragraph (g), a school district may expend not
648 more than twenty percent (20%) of its annual allotment or Twenty
649 Thousand Dollars (\$20,000.00), whichever is greater, for
650 instructional purposes. The State Board of Education may
651 authorize a school district to expend more than said twenty
652 percent (20%) of its annual allotment for instructional purposes
653 if it determines that such expenditures are needed for
654 accreditation purposes.

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

665 Any interest accruing on any unexpended balance in the
666 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 3. Section 37-151-85, Mississippi Code of 1972, is amended as follows:

37-151-85. (1) The amount to be allotted by the State Board of Education for transportation shall be determined as follows:

The State Department of Education shall calculate the cost of transportation in school districts by ascertaining the average cost per pupil in average daily attendance of transported pupils in school districts classified in different density groups as determined by the State Department of Education. Based on these calculations, the State Department of Education shall develop a



scale for determining the allowable cost per pupil in different density groups, which scale shall provide greatest allowance per pupil transported in school districts with lowest densities and smallest allowance per pupil in school districts with highest densities. Beginning with the 2018-2019 fiscal year, the total allowance in the adequate education program for transported children for any school district for the current year shall be the average daily * * * membership (ADM) of the transported children for the nine (9) months of the prior year, multiplied by the allowance per transported pupil as provided herein. However, the State Department of Education is hereby authorized and empowered to make proper adjustments in allotments, under rules and regulations of the State Board of Education, in cases where major changes in the number of children in * * * average daily membership (ADM) transported occur from one (1) year to another as a result of changes or alterations in the boundaries of school districts, a change in or relocation of attendance centers, or for other reasons which would result in a major decrease or increase in the number of children in average daily attendance transported during the current school year as compared with the preceding year. Moreover, the State Board of Education is hereby authorized and empowered to make such payments to all districts and/or university-based programs as deemed necessary in connection with transporting exceptional children as defined in Section 37-23-3. The State Board of Education shall establish and implement all



717 necessary rules and regulations to allot transportation payments
718 to university-based programs. In developing density
719 classifications under the provisions hereof, the State Department
720 of Education may give consideration to the length of the route,
721 the sparsity of the population, the lack of adequate roads,
722 highways and bridges, and the presence of large streams or other
723 geographic obstacles. In addition to funds allotted under the
724 above provisions, funds shall be allotted to each school district
725 that transports students from their assigned school or attendance
726 center to classes in an approved vocational-technical center at a
727 rate per mile not to exceed the average statewide cost per mile of
728 school bus transportation during the preceding year exclusive of
729 bus replacement. All such transportation must have prior approval
730 by the State Department of Education.

731 (2) The average daily * * * membership (ADM) of transported
732 children shall be reported by the school district in which such
733 children attend school. If children living in a school district
734 are transported at the expense of such school district to another
735 school district, the average daily * * * membership (ADM) of such
736 transported children shall be deducted by the State Department of
737 Education from the aggregate average daily * * * membership (ADM)
738 of transported children in the school district in which they
739 attend school and shall be added to the aggregate average daily
740 attendance of transported children of the school district from
741 which they come for the purpose of calculating transportation



allotments. However, such deduction shall not be made for the purpose of calculating adequate education program pupil-based funding.

(3) The State Department of Education shall include in the allowance for transportation for each school district an amount for the replacement of school buses or the purchase of new buses, which amount shall be calculated upon the estimated useful life of all school buses being used for the transportation of children in such school district, whether such buses be publicly or privately owned.

(4) The school boards of all districts operating school bus transportation are authorized and directed to establish a salary schedule for school bus drivers. No school district shall be entitled to receive the funds herein allotted for transportation unless it pays each of its nonstudent adult school bus drivers paid from such transportation allotments a minimum of One Hundred Ninety Dollars (\$190.00) per month. In addition, local school boards may compensate school bus drivers, to include temporary or substitute bus drivers, for actual expenses incurred when acquiring an initial commercial license or any renewal of a commercial license in order to drive a school bus. In addition, local school boards may compensate school bus drivers, to include temporary or substitute bus drivers, for expenses, not to exceed One Hundred Dollars (\$100.00), when acquiring an initial medical



exam or any renewal of a medical exam, in order to qualify for a commercial driver's license.

(5) The State Board of Education shall be authorized and empowered to use such part of the funds appropriated for transportation in the adequate education fund as may be necessary to finance driver training courses as provided for in Section 37-41-1, Mississippi Code of 1972.

(6) The State Board of Education, acting through the Department of Education, may compensate school bus drivers, to include temporary or substitute bus drivers, who are providing driving services to the various state operated schools, such as the Mississippi School for the Deaf, the Mississippi School for the Blind, the Mississippi School of the Arts, the Mississippi School for Math and Science and any other similar state operated schools, for actual expenses incurred when acquiring an initial commercial license or any renewal of a commercial license in order to drive a school bus, to include the expense, not to exceed One Hundred Dollars (\$100.00), of acquiring an initial medical exam or any renewal of a medical exam in order to qualify for a commercial driver's license.

SECTION 4. Section 37-151-97, Mississippi Code of 1972, is amended as follows:

37-151-97. The State Department of Education shall develop an annual reporting process to inform the Legislature, local district personnel and the general public as to the ongoing and



791 future plans for the state's educational programs. The annual
792 reporting process will include those vital statistics that are
793 commonly reported by schools and districts and that can provide
794 clear demographic, strategic and educational information to
795 constituencies such as, but not limited to, the following
796 information:

797 (a) Student enrollment, average daily membership (ADM),
798 attendance, drop-out and graduation;

799 (b) Overall student and district achievement;

800 (c) Budget, administrative costs and other pertinent
801 fiscal information, including:

802 (i) The receipts and disbursements of all school
803 funds handled by the board;

804 (ii) Reports of expenditures for public schools,
805 which, upon request must be made available on an individual
806 district basis by the State Department of Education;

807 1. Total Student Expenditures:

808 a. Instruction (1000s);

809 b. Other Student Instructional

810 Expenditures (2100s, 2200s);

811 2. General Administration (2300s and 2500s);

812 3. School Administration (2400s);

813 4. Other Expenditures (2600s, 2700s, 2800s,
814 3100s, 3200s); and



5. Nonoperational Expenditures (4000s, 5000s, 6000s);

(iii) The number of school districts, schoolteachers employed, school administrators employed, pupils taught and the attendance record of pupils therein;

(iv) County and district levies for each school district and agricultural high school;

(v) The condition of vocational education, a list of schools to which federal and state aid has been given, and a detailed statement of the expenditures of federal funds and the state funds that may be provided, and the ranking of subjects taught as compared with the state's needs.

(d) Other as directed by the State Board of Education.

Further, the reporting process will include an annual report developed specifically to relate the mission and goals of the State Board of Education, state superintendent and departments. This document will become the method through which the strategic planning and management process of the department is articulated to the public. It will explain and inform the public of the major initiatives of the department and clearly identify rationale for program development and/or elimination. The report will establish benchmarks, future plans and discuss the effectiveness of educational programs.

In addition to the information specified herein, the State Board of Education shall have full and plenary authority and power



to require the furnishing of such further, additional and supplementary information as it may deem necessary for the purpose of determining the cost of the adequate education program in such school district for the succeeding fiscal year, the amount of the adequate education program funds to be allotted to each school district for the succeeding fiscal year, and for any other purpose authorized by law or deemed necessary by said State Board of Education.

It shall be the duty of the State Department of Education to prescribe the forms for the reports provided for in this section.

SECTION 5. Section 37-151-103, Mississippi Code of 1972, is amended as follows:

37-151-103. (1) Funds due each school district and charter school under the terms of this chapter from the Adequate Education Program Fund shall be paid in the following manner: Two (2) business days prior to the last working day of each month there shall be paid to each school district and charter school, by electronic funds transfer, one-twelfth (1/12) of the funds to which the district or charter school is entitled from funds appropriated for the Adequate Education Program Fund. However, in December those payments shall be made on December 15th or the next business day after that date. All school districts shall process a single monthly payroll with electronic settlement of payroll checks secured through direct deposit of net pay for all school district employees. In addition, the State Department of



865 Education may pay school districts and charter schools from the
866 common school fund and the Adequate Education Program Fund on a
867 date earlier than provided for by this section if it is determined
868 that it is in the best interest of school districts and charter
869 schools to do so.

870 Provided, however, that if the cash balance in the State
871 General Fund is not adequate on the due date to pay the amounts
872 due to all school districts and charter schools in the state as
873 determined by the State Superintendent of Education, the State
874 Fiscal Officer shall not transfer said funds payable to any school
875 district or districts or charter schools until money is available
876 to pay the amount due to all districts and charter schools.

877 (2) Notwithstanding any provision of this chapter or any
878 other law requiring the number of children in average daily
879 attendance or the average daily * * * membership (ADM) of
880 transported children to be determined on the basis of the
881 preceding year, the State Board of Education is hereby authorized
882 and empowered to make proper adjustments in allotments in cases
883 where major changes in the number of children in average daily
884 attendance or the average daily attendance of transported children
885 occurs from one year to another as a result of changes or
886 alterations in the boundaries of school districts, the sending of
887 children from one county or district to another upon a contract
888 basis, the termination or discontinuance of a contract for the
889 sending of children from one county or district to another, a



890 change in or relocation of attendance centers, or for any other
891 reason which would result in a major decrease or increase in the
892 number of children in average daily attendance or the average
893 daily * * * membership (ADM) or the average daily * * * membership
894 (ADM) of transported children during the current school year as
895 compared with the preceding year.

896 (3) In the event of an inordinately large number of
897 absentees in any school district or charter school as a result of
898 epidemic, natural disaster, or any concerted activity discouraging
899 school attendance, then in such event school attendance for the
900 purposes of determining average daily attendance or average daily
901 membership (ADM) under the adequate education program shall be
902 based upon the average daily attendance or average daily
903 membership (ADM) for the preceding school year for such school
904 district or charter school.

905 **SECTION 6.** This act shall take effect and be in force from
906 and after July 1, 2018.

