

By: Senator(s) DeBar

To: Education;
Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2367

1 AN ACT TO BRING FORWARD SECTION 37-47-24, MISSISSIPPI CODE OF
2 1972, WHICH IS THE EDUCATION FACILITIES REVOLVING LOAN PROGRAM,
3 FOR THE PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 37-47-24, Mississippi Code of 1972, is
6 brought forward as follows:

7 37-47-24. (1) There is established the Educational
8 Facilities Revolving Loan Fund Program to be administered by the
9 State Department of Education for the purpose of improving
10 educational facilities in the State of Mississippi by assisting
11 public schools in procuring funds for making certain capital
12 improvements.

13 (2) There is created a special fund in the State Treasury
14 designated as the "Educational Facilities Revolving Loan Fund,"
15 which shall consist of monies transferred from the State Public
16 School Building Fund and other monies that the Legislature may
17 make available. The revolving loan fund must be maintained in
18 perpetuity for the purposes established in this section.



19 Unexpended amounts remaining in the fund at the end of a fiscal
20 year may not lapse into the State General Fund. Payments on the
21 principal of and, when applicable, interest on loans procured from
22 the fund and any interest earned on amounts in the fund must be
23 deposited to the credit of the fund. Monies in the Educational
24 Facilities Revolving Loan Fund may not be used or expended for any
25 purpose except as authorized under this section.

26 (3) Of the funds deposited into the Educational Facilities
27 Revolving Loan Fund, up to ninety-five percent (95%) must be made
28 available for the purpose of making interest-free loans to
29 qualified public school districts. The State Department of
30 Education shall accept requests for loans under this subsection
31 for the following purposes:

32 (a) Repairs and renovations to existing school
33 buildings and related facilities used in the operation of the
34 schools of a public school district;

35 (b) Construction of new facilities or repairs and
36 renovations to existing school facilities for the purpose of
37 establishing, improving or expanding prekindergarten programs in a
38 public school district; and

39 (c) Construction of new career and technical education
40 facilities or repairs and renovations to existing school
41 facilities for the purpose of upgrading or expanding a school
42 district's career and technical education program.



43 (4) An educational entity that receives a loan from the
44 Educational Facilities Revolving Loan Fund shall not use the funds
45 for athletic facilities.

46 (5) Each fiscal year, the State Department of Education may
47 set aside an amount not to exceed three percent (3%) of the
48 balance of the Educational Facilities Revolving Loan Fund to cover
49 the administrative and fiscal management costs associated with the
50 fund.

51 (6) The State Department of Education shall accept and make
52 determinations on applications for loans and shall disburse funds
53 and receive repayments on approved loans. Before October 1, 2022,
54 the department shall establish rules and regulations for the
55 implementation and administration of the revolving loan program.
56 The rules and regulations must include, at a minimum, provisions
57 addressing the following:

58 (a) An application process by which public school
59 districts may request a loan from the Educational Facilities
60 Revolving Loan Fund, including the deadline by which the
61 department must receive applications;

62 (b) The factors to be considered by the State
63 Department of Education in determining whether an educational
64 entity will be awarded the full or a partial amount of a loan
65 requested. The maximum total amount of outstanding loans an
66 applicant may receive in a fiscal year shall be limited to One
67 Million Dollars (\$1,000,000.00). The maximum total amount of a



68 loan an applicant may receive for a single project shall not
69 exceed One Million Dollars (\$1,000,000.00) per fiscal year. A
70 loan may not exceed one hundred percent (100%) of the cost of the
71 project for which the loan is requested;

72 (c) The rates of interest on loans and terms of
73 repayment. Approved loans under this program must be interest
74 free and payable over a term of no more than ten (10) years
75 commencing on the date the loan is received;

76 (d) A process by which the department determines if an
77 entity receiving a loan is required to pledge monies for the
78 repayment of the loan and sources of revenue that are acceptable
79 whenever the department requires a pledge, which, for a school
80 district receiving a loan, may not include Adequate Education
81 Program funds;

82 (e) The actions that may be taken if an entity is in
83 arrears on loan repayments, which may include, in the case of a
84 school district, the withholding of future payments of Adequate
85 Education Program funds to the district, the withholding of state
86 funds due to the school or district;

87 (f) Applicants demonstrating emergency or other
88 critical infrastructure needs, as defined by the State Department
89 of Education, shall receive first priority in receiving loans from
90 the fund; and

91 (g) All other matters that the State Department of
92 Education determines are necessary to establish and maintain the



93 Educational Facilities Revolving Loan Fund Program as an
94 accessible and perpetual source of funding for making facility
95 improvements at all levels of education in the state.

96 (7) School districts may use funds from the Educational
97 Facilities Revolving Loan Fund Program to pay the principal and
98 interest of school district indebtedness represented by bonds or
99 notes issued after July 1, 2017, but before July 1, 2022, for
100 capital improvements. School districts shall be limited to a
101 maximum loan amount of Five-hundred Thousand Dollars (\$500,000.00)
102 per year from the Educational Facilities Revolving Loan Fund
103 Program for this purpose.

104 (8) The State Department of Education shall promulgate such
105 rules and regulations as may be necessary for participation in the
106 Educational Facilities Revolving Loan Program by a public
107 educational entity.

108 **SECTION 2.** This act shall take effect and be in force from
109 and after July 1, 2023, and shall stand repealed on June 30, 2023.

