

By: Representative Scott

To: Education;
Appropriations A

HOUSE BILL NO. 953

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE ADJUSTMENT TO THE BASE STUDENT COST FOR AT-RISK
3 STUDENTS UNDER THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** Section 37-151-7, Mississippi Code of 1972, is
7 amended as follows:

8 37-151-7. The annual allocation to each school district for
9 the operation of the adequate education program shall be
10 determined as follows:

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

15 (a) **Determination of average daily attendance.**
16 Effective with fiscal year 2011, the State Department of Education
17 shall determine the percentage change from the prior year of each
18 year of each school district's average of months two (2) and three
19 (3) average daily attendance (ADA) for the three (3) immediately



20 preceding school years of the year for which funds are being
21 appropriated. For any school district that experiences a positive
22 growth in the average of months two (2) and three (3) ADA each
23 year of the three (3) years, the average percentage growth over
24 the three-year period shall be multiplied times the school
25 district's average of months two (2) and three (3) ADA for the
26 year immediately preceding the year for which MAEP funds are being
27 appropriated. The resulting amount shall be added to the school
28 district's average of months two (2) and three (3) ADA for the
29 year immediately preceding the year for which MAEP funds are being
30 appropriated to arrive at the ADA to be used in determining a
31 school district's MAEP allocation. Otherwise, months two (2) and
32 three (3) ADA for the year immediately preceding the year for
33 which MAEP funds are being appropriated will be used in
34 determining a school district's MAEP allocation. In any fiscal
35 year prior to 2010 in which the MAEP formula is not fully funded,
36 for those districts that do not demonstrate a three-year positive
37 growth in months two (2) and three (3) ADA, months one (1) through
38 nine (9) ADA of the second preceding year for which funds are
39 being appropriated or months two (2) and three (3) ADA of the
40 preceding year for which funds are being appropriated, whichever
41 is greater, shall be used to calculate the district's MAEP
42 allocation. The district's average daily attendance shall be
43 computed and currently maintained in accordance with regulations
44 promulgated by the State Board of Education. The district's



45 average daily attendance shall include any student enrolled in a
46 Dual Enrollment-Dual Credit Program as defined and provided in
47 Section 37-15-38(19). The State Department of Education shall
48 make payments for Dual Enrollment-Dual Credit Programs to the home
49 school in which the student is enrolled, in accordance with
50 regulations promulgated by the State Board of Education. The
51 community college providing services to students in a Dual
52 Enrollment-Dual Credit Program shall require payment from the home
53 school district for services provided to such students at a rate
54 of one hundred percent (100%) of ADA. All MAEP/state funding
55 shall cease upon completion of high school graduation
56 requirements.

57 (b) **Determination of base student cost.** Effective with
58 fiscal year 2011 and every fourth fiscal year thereafter, the
59 State Board of Education, on or before August 1, with adjusted
60 estimate no later than January 2, shall submit to the Legislative
61 Budget Office and the Governor a proposed base student cost
62 adequate to provide the following cost components of educating a
63 pupil in a successful school district: (i) instructional cost;
64 (ii) administrative cost; (iii) operation and maintenance of
65 plant; and (iv) ancillary support cost. For purposes of these
66 calculations, the State Department of Education shall utilize
67 financial data from the second preceding year of the year for
68 which funds are being appropriated.



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

81 Fund 1120 Functions 1110-1199 Objects 100-999, Functions
82 1210, 1220, 2150-2159 Objects 210 and 215;

83 Fund 1130 All Functions, Object Code 210 and 215;

84 Fund 2001 Functions 1110-1199 Objects 100-999;

85 Fund 2070 Functions 1110-1199 Objects 100-999;

86 Fund 2420 Functions 1110-1199 Objects 100-999;

87 Fund 2711 All Functions, Object Code 210 and 215.

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



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

105 Fund 1120 Functions 2300-2599, Functions 2800-2899,
106 Objects 100-999;

107 Fund 2711 Functions 2300-2599, Functions 2800-2899,
108 Objects 100-999.

109 For the plant and maintenance cost component, the State
110 Department of Education shall select districts that have been
111 identified as instructionally successful and have a ratio of plant
112 and maintenance expenditures per one hundred thousand (100,000)
113 square feet of building space and a ratio of maintenance workers
114 per one hundred thousand (100,000) square feet of building space
115 that are both between one (1) standard deviation above the mean
116 and two (2) standard deviations below the mean of the statewide
117 average. The plant and maintenance cost component shall be



118 calculated by dividing the latest available months one (1) through
119 nine (9) ADA of the selected districts into the plant and
120 maintenance expenditures of these selected districts. For the
121 purpose of this calculation, the State Department of Education
122 shall use the following funds, functions and objects:

123 Fund 1120 Functions 2600-2699, Objects 100-699

124 and Objects 800-999;

125 Fund 2711 Functions 2600-2699, Objects 100-699

126 and Objects 800-999;

127 Fund 2430 Functions 2600-2699, Objects 100-699

128 and Objects 800-999.

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



143 Fund 1120 Functions 2110-2129, Objects 100-999;
144 Fund 1120 Functions 2140-2149, Objects 100-999;
145 Fund 1120 Functions 2220-2229, Objects 100-999;
146 Fund 2001 Functions 2100-2129, Objects 100-999;
147 Fund 2001 Functions 2140-2149, Objects 100-999;
148 Fund 2001 Functions 2220-2229, Objects 100-999.

149 The total base cost for each year shall be the sum of the
150 instructional cost component, administrative cost component, plant
151 and maintenance cost component and ancillary support cost
152 component, and any estimated adjustments for additional state
153 requirements as determined by the State Board of Education. * * *
154 However, * * * the base student cost in fiscal year 1998 shall be
155 Two Thousand Six Hundred Sixty-four Dollars (\$2,664.00).

156 For each of the fiscal years between the recalculation of the
157 base student cost under the provisions of this paragraph (b), the
158 base student cost shall be increased by an amount equal to forty
159 percent (40%) of the base student cost for the previous fiscal
160 year, multiplied by the latest annual rate of inflation for the
161 State of Mississippi as determined by the State Economist, plus
162 any adjustments for additional state requirements such as, but not
163 limited to, teacher pay raises and health insurance premium
164 increases.

165 (c) **Determination of the basic adequate education**
166 **program cost.** The basic amount for current operation to be



167 included in the Mississippi Adequate Education Program for each
168 school district shall be computed as follows:

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

172 (d) **Adjustment to the base student cost for at-risk**
173 **pupils.** The amount to be included for at-risk pupil programs for
174 each school district shall be computed as follows: Multiply the
175 base student cost for the appropriate fiscal year as determined
176 under paragraph (b) by * * * fifty percent (50%), and multiply
177 that product by the number of pupils participating in the federal
178 free school lunch program in such school district, which yields
179 the total adjustment for at-risk pupil programs for such school
180 district.

181 (e) **Add-on program cost.** The amount to be allocated to
182 school districts in addition to the adequate education program
183 cost for add-on programs for each school district shall be
184 computed as follows:

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

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



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

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

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

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

203 (vii) University-based programs shall be the
204 amount allocated to school districts for those university-based
205 programs for handicapped children as defined and provided for in
206 Section 37-23-131 et seq. * * *

207 (viii) Bus driver training programs shall be the
208 amount provided for those driver training programs as provided for
209 in Section 37-41-1 * * *.

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



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

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

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

233 (a) The State Department of Education shall certify to
234 each school district that twenty-eight (28) mills, less the
235 estimated amount of the yield of the School Ad Valorem Tax
236 Reduction Fund grants as determined by the State Department of
237 Education, is the millage rate required to provide the district
238 required local effort for that year, or twenty-seven percent (27%)
239 of the basic adequate education program cost for such school



240 district as determined under paragraph (c), whichever is a lesser
241 amount. In the case of an agricultural high school, the millage
242 requirement shall be set at a level which generates an equitable
243 amount per pupil to be determined by the State Board of Education.
244 The local contribution amount for school districts in which there
245 is located one or more charter schools will be calculated using
246 the following methodology: using the adequate education program
247 twenty-eight (28) mill value, or the twenty-seven percent (27%)
248 cap amount (whichever is less) for each school district in which a
249 charter school is located, an average per pupil amount will be
250 calculated. This average per pupil amount will be multiplied
251 times the number of students attending the charter school in that
252 school district. The sum becomes the charter school's local
253 contribution to the adequate education program.

254 (b) The State Department of Education shall determine
255 the following from the annual assessment information submitted to
256 the department by the tax assessors of the various counties: (i)
257 the total assessed valuation of nonexempt property for school
258 purposes in each school district; (ii) assessed value of exempt
259 property owned by homeowners aged sixty-five (65) or older or
260 disabled as defined in Section 27-33-67(2) * * *; (iii) the school
261 district's tax loss from exemptions provided to applicants under
262 the age of sixty-five (65) and not disabled as defined in Section
263 27-33-67(1) * * *; and (iv) the school district's homestead
264 reimbursement revenues.



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

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

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

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

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

286 (b) * * * However, * * * in fiscal year 2015, any
287 increase in the * * * state contribution to any district
288 calculated under this section shall be not less than six percent
289 (6%) in excess of the amount received by * * * the district from



290 state funds for fiscal year 2002; in fiscal year 2016, any
291 increase in the * * * state contribution to any district
292 calculated under this section shall be not less than four percent
293 (4%) in excess of the amount received by * * * the district from
294 state funds for fiscal year 2002; in fiscal year 2017, any
295 increase in the * * * state contribution to any district
296 calculated under this section shall be not less than two percent
297 (2%) in excess of the amount received by * * * the district from
298 state funds for fiscal year 2002; and in fiscal year 2018 and
299 thereafter, any increase in the * * * state contribution to any
300 district calculated under this section shall be zero percent (0%).
301 For purposes of this paragraph (b), state funds shall include
302 minimum program funds less the add-on programs, State Uniform
303 Millage Assistance Grant Funds, Education Enhancement Funds
304 appropriated for Uniform Millage Assistance Grants and state
305 textbook allocations, and State General Funds allocated for
306 textbooks.

307 (c) If the school board of any school district shall
308 determine that it is not economically feasible or practicable to
309 operate any school within the district for the full one hundred
310 eighty (180) days required for a school term of a scholastic year,
311 as required in Section 37-13-63, * * * due to an enemy attack, a
312 man-made, technological or natural disaster in which the Governor
313 has declared a disaster emergency under the laws of this state or
314 the President of the United States has declared an emergency or



315 major disaster to exist in this state, * * * the school board may
316 notify the State Department of Education of such disaster and
317 submit a plan for altering the school term. If the State Board of
318 Education finds such disaster to be the cause of the school not
319 operating for the contemplated school term and that such school
320 was in a school district covered by the Governor's or President's
321 disaster declaration, it may permit * * * the school board to
322 operate the schools in its district for less than one hundred
323 eighty (180) days and, in such case, the State Department of
324 Education shall not reduce the state contributions to the adequate
325 education program allotment for such district, because of the
326 failure to operate * * * those schools for one hundred eighty
327 (180) days.

328 (4) The Interim School District Capital Expenditure Fund is
329 hereby established in the State Treasury, which shall be used to
330 distribute any funds specifically appropriated by the Legislature
331 to such fund to school districts entitled to increased allocations
332 of state funds under the adequate education program funding
333 formula prescribed in Sections 37-151-3 through 37-151-7 * * *
334 until such time as the * * * adequate education program is fully
335 funded by the Legislature. The following percentages of the total
336 state cost of increased allocations of funds under the adequate
337 education program funding formula shall be appropriated by the
338 Legislature into the Interim School District Capital Expenditure
339 Fund to be distributed to all school districts under the formula:



340 Nine and two-tenths percent (9.2%) shall be appropriated in fiscal
341 year 1998, twenty percent (20%) shall be appropriated in fiscal
342 year 1999, forty percent (40%) shall be appropriated in fiscal
343 year 2000, sixty percent (60%) shall be appropriated in fiscal
344 year 2001, eighty percent (80%) shall be appropriated in fiscal
345 year 2002, and one hundred percent (100%) shall be appropriated in
346 fiscal year 2003 into the State Adequate Education Program Fund.
347 Until July 1, 2002, such money shall be used by school districts
348 for the following purposes:

349 (a) Purchasing, erecting, repairing, equipping,
350 remodeling and enlarging school buildings and related facilities,
351 including gymnasiums, auditoriums, lunchrooms, vocational training
352 buildings, libraries, school barns and garages for transportation
353 vehicles, school athletic fields and necessary facilities
354 connected therewith, and purchasing land therefor. Any such
355 capital improvement project by a school district shall be approved
356 by the State Board of Education, and based on an approved
357 long-range plan. The State Board of Education shall promulgate
358 minimum requirements for the approval of school district capital
359 expenditure plans.

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

363 (c) Paying debt service on existing capital improvement
364 debt of the district or refinancing outstanding debt of a district



365 if such refinancing will result in an interest cost savings to the
366 district.

367 (d) From and after October 1, 1997, through June 30,
368 1998, pursuant to a school district capital expenditure plan
369 approved by the State Department of Education, a school district
370 may pledge such funds until July 1, 2002, plus funds provided for
371 in paragraph (e) of this subsection (4) that are not otherwise
372 permanently pledged under such paragraph (e) to pay all or a
373 portion of the debt service on debt issued by the school district
374 under Sections 37-59-1 through 37-59-45, 37-59-101 through
375 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
376 37-7-301, 37-7-302 and 37-41-81, * * * or debt issued by boards of
377 supervisors for agricultural high schools pursuant to Section
378 37-27-65, * * * or lease-purchase contracts entered into pursuant
379 to Section 31-7-13, * * * or to retire or refinance outstanding
380 debt of a district, if such pledge is accomplished pursuant to a
381 written contract or resolution approved and spread upon the
382 minutes of an official meeting of the district's school board or
383 board of supervisors. It is the intent of this provision to allow
384 school districts to irrevocably pledge their Interim School
385 District Capital Expenditure Fund allotments as a constant stream
386 of revenue to secure a debt issued under the foregoing code
387 sections. To allow school districts to make such an irrevocable
388 pledge, the state shall take all action necessary to ensure that
389 the amount of a district's Interim School District Capital



390 Expenditure Fund allotments shall not be reduced below the amount
391 certified by the department or the district's total allotment
392 under the Interim Capital Expenditure Fund if fully funded, so
393 long as such debt remains outstanding.

394 (e) [Repealed]

395 (f) [Repealed]

396 (g) The State Board of Education may authorize the
397 school district to expend not more than twenty percent (20%) of
398 its annual allotment of such funds or Twenty Thousand Dollars
399 (\$20,000.00), whichever is greater, for technology needs of the
400 school district, including computers, software,
401 telecommunications, cable television, interactive video, film,
402 low-power television, satellite communications, microwave
403 communications, technology-based equipment installation and
404 maintenance, and the training of staff in the use of such
405 technology-based instruction. Any such technology expenditure
406 shall be reflected in the local district technology plan approved
407 by the State Board of Education under Section 37-151-17 * * *.

408 (h) To the extent a school district has not utilized
409 twenty percent (20%) of its annual allotment for technology
410 purposes under paragraph (g), a school district may expend not
411 more than twenty percent (20%) of its annual allotment or Twenty
412 Thousand Dollars (\$20,000.00), whichever is greater, for
413 instructional purposes. The State Board of Education may
414 authorize a school district to expend more than * * * twenty



415 percent (20%) of its annual allotment for instructional purposes
416 if it determines that such expenditures are needed for
417 accreditation purposes.

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

428 Any interest accruing on any unexpended balance in the
429 Interim School District Capital Expenditure Fund shall be invested
430 by the State Treasurer and placed to the credit of each school
431 district participating in such fund in its proportionate share.

432 The provisions of this subsection (4) shall be cumulative and
433 supplemental to any existing funding programs or other authority
434 conferred upon school districts or school boards.

435 (5) The State Department of Education shall make payments to
436 charter schools for each student in average daily attendance at
437 the charter school equal to the state share of the adequate
438 education program payments for each student in average daily
439 attendance at the school district in which the public charter



440 school is located. In calculating the local contribution for
441 purposes of determining the state share of the adequate education
442 program payments, the department shall deduct the pro rata local
443 contribution of the school district in which the student resides
444 as determined in subsection (2)(a) of this section.

445 **SECTION 2.** This act shall take effect and be in force from
446 and after July 1, 2024.

