

By: Representative Read

To: Appropriations A

HOUSE BILL NO. 1129
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE DEPARTMENT OF FINANCE AND
2 ADMINISTRATION TO RECEIVE REPAYMENTS ON APPROVED LOANS FROM THE
3 EDUCATIONAL FACILITIES REVOLVING LOAN FUND PROGRAM; TO DIRECT THE
4 DEPARTMENT OF EDUCATION TO PROVIDE THE DEPARTMENT OF FINANCE AND
5 ADMINISTRATION WITH ALL EDUCATIONAL FACILITIES REVOLVING LOAN FUND
6 PROGRAM TERMS OF REPAYMENT AND BALANCES OWED FROM SCHOOL
7 DISTRICTS; TO DIRECT THE DEPARTMENT OF FINANCE AND ADMINISTRATION
8 TO DEPOSIT THOSE REPAYMENTS INTO THE EDUCATION ENHANCEMENT FUND;
9 TO PROVIDE THAT, IF A SCHOOL DISTRICT IS IN ARREARS ON LOAN
10 REPAYMENTS, THE DEPARTMENT OF EDUCATION SHALL REMIT THE AMOUNT
11 OWED TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION AND SHALL
12 WITHHOLD THAT AMOUNT FROM FUTURE PAYMENTS OF TOTAL FUNDING FORMULA
13 FUNDS TO THE SCHOOL DISTRICT; TO AMEND SECTION 37-61-33,
14 MISSISSIPPI CODE OF 1972, TO CONFORM; TO DIRECT THE STATE
15 TREASURER, IN CONJUNCTION WITH THE STATE FISCAL OFFICER, TO
16 TRANSFER TO THE EDUCATION ENHANCEMENT FUND ALL REMAINING FUNDS IN
17 THE EDUCATIONAL FACILITIES REVOLVING LOAN FUND; AND FOR RELATED
18 PURPOSES.

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

20 **SECTION 1.** The Department of Finance and Administration is
21 authorized to receive repayments on approved loans from the
22 Educational Facilities Revolving Loan Fund Program created in
23 Section 1, Chapter 453, Laws of 2022, which was repealed on July
24 1, 2024, by Section 119, Chapter 484, Laws of 2024.

25 **SECTION 2.** (1) The Department of Education shall provide
26 the Department of Finance and Administration with all Educational



Facilities Revolving Loan Fund Program terms of repayment and balances owed from school districts. The Department of Finance and Administration shall deposit those repayments into the Education Enhancement Fund created in Section 37-61-33.

(2) If a school district is in arrears on loan repayments, the Department of Finance and Administration shall notify the Department of Education of the amount owed by the school district. The Department of Education shall then remit that amount to the Department of Finance and Administration and shall withhold that amount from future payments of total funding formula funds to the school district.

SECTION 3. Section 37-61-33, Mississippi Code of 1972, is amended as follows:

37-61-33. (1) There is created within the State Treasury a special fund to be designated the "Education Enhancement Fund" into which shall be deposited all the revenues collected pursuant to Sections 27-65-75(5), (7) and (8) * * *, 27-67-31(a) and (b) and Section 2 of this act.

(2) Of the amount deposited into the Education Enhancement Fund, Sixteen Million Dollars (\$16,000,000.00) shall be appropriated each fiscal year to the State Department of Education to be distributed to all school districts. Such money shall be distributed to all school districts in the proportion that the net enrollment of each school district bears to the net enrollment of all school districts within the state for the following purposes:



52 (a) Purchasing, erecting, repairing, equipping,
53 remodeling and enlarging school buildings and related facilities,
54 including gymnasiums, auditoriums, lunchrooms, vocational training
55 buildings, libraries, teachers' homes, school barns,
56 transportation vehicles (which shall include new and used
57 transportation vehicles) and garages for transportation vehicles,
58 and purchasing land therefor;

59 (b) Establishing and equipping school athletic fields
60 and necessary facilities connected therewith, and purchasing land
61 therefor;

62 (c) Providing necessary water, light, heating,
63 air-conditioning and sewerage facilities for school buildings, and
64 purchasing land therefor;

65 (d) As a pledge to pay all or a portion of the debt
66 service on debt issued by the school district under Sections
67 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351
68 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302
69 and 37-41-81, or debt issued by boards of supervisors for
70 agricultural high schools pursuant to Section 37-27-65, if such
71 pledge is accomplished pursuant to a written contract or
72 resolution approved and spread upon the minutes of an official
73 meeting of the district's school board or board of supervisors.
74 The annual grant to such district in any subsequent year during
75 the term of the resolution or contract shall not be reduced below
76 an amount equal to the district's grant amount for the year in



77 which the contract or resolution was adopted. The intent of this
78 provision is to allow school districts to irrevocably pledge a
79 certain, constant stream of revenue as security for long-term
80 obligations issued under the code sections enumerated in this
81 paragraph or as otherwise allowed by law. It is the intent of the
82 Legislature that the provisions of this paragraph shall be
83 cumulative and supplemental to any existing funding programs or
84 other authority conferred upon school districts or school boards.
85 Debt of a district secured by a pledge of sales tax revenue
86 pursuant to this paragraph shall not be subject to any debt
87 limitation contained in the foregoing enumerated code sections;
88 and

89 (e) Any other purpose for which the total funding
90 formula funds as determined by Sections 37-151-200 through
91 37-151-215 are not sufficient.

92 (3) The remainder of the money deposited into the Education
93 Enhancement Fund shall be appropriated as follows:

94 (a) To the State Department of Education as follows:

95 (i) Sixteen and sixty-one one-hundredths percent
96 (16.61%) to the cost of the total funding formula determined under
97 Sections 37-151-200 through 37-151-215; of the funds generated by
98 the percentage set forth in this section for the support of the
99 adequate education program, one and one hundred seventy-eight
100 one-thousandths percent (1.178%) of the funds shall be
101 appropriated to be used by the State Department of Education for



the purchase of textbooks to be loaned under Sections 37-43-1 through 37-43-59 to approved nonpublic schools, as described in Section 37-43-1. The funds to be distributed to each nonpublic school shall be in the proportion that the average daily attendance of each nonpublic school bears to the total average daily attendance of all nonpublic schools;

(ii) Seven and ninety-seven one-hundredths percent (7.97%) to assist the funding of transportation operations and maintenance pursuant to Section 37-19-23; and

(iii) Nine and sixty-one one-hundredths percent (9.61%) for classroom supplies, instructional materials and equipment, including computers and computer software, to be distributed to all eligible teachers within the state through the use of procurement cards or a digital solution capable of tracking, paying and reporting purchases. Classroom supply funds shall not be expended for administrative purposes. On a date to be determined by the State Department of Education, but not later than July 1 of each year, local school districts shall determine and submit to the State Department of Education the number of teachers eligible to receive an allocation for the current year. For purposes of this subparagraph, "teacher" means any employee of the school board of a school district, or the Mississippi School for the Arts, the Mississippi School for Math and Science, the Mississippi School for the Blind, the Mississippi School for the Deaf or public charter school, who is required by law to obtain a



teacher's license from the State Department of Education and who is assigned to an instructional area of work as defined by the department, and shall include any full- or part-time gifted or special education teacher. It is the intent of the Legislature that all classroom teachers shall utilize these funds in a manner that addresses individual classroom needs and supports the overall goals of the school regarding supplies, instructional materials, equipment, computers or computer software under the provisions of this subparagraph, including the type, quantity and quality of such supplies, materials and equipment. Classroom supply funds allocated under this subparagraph shall supplement, not replace, other local and state funds available for the same purposes. The State Board of Education shall develop and promulgate rules and regulations for the administration of this subparagraph consistent with the above criteria, with particular emphasis on allowing the individual teachers to expend funds as they deem appropriate. The local school board shall require each school to issue credentials for a digital solution selected by or procurement cards provided by the Department of Finance and Administration under the provisions of Section 31-7-9(1)(c) for the use of teachers and necessary support personnel in making instructional supply fund expenditures under this section, consistent with the regulations of the Mississippi Department of Finance and Administration pursuant to Section 31-7-9. Such credentials or procurement cards shall be provided by the State Department of Education to local



152 school districts on a date determined by the State Department of
153 Education, but not later than August 1 of each year. Local school
154 districts shall issue such credentials or procurement cards to
155 classroom teachers at the beginning of the school year, but no
156 later than August 1 of each year, and shall be issued in equal
157 amounts per teacher determined by the total number of qualifying
158 personnel and the current state appropriation for classroom
159 supplies with the Education Enhancement Fund. After initial cards
160 are issued under the timeline prescribed by this section, the
161 State Department of Education may issue cards to districts for any
162 classroom teacher hired after July 1 under a timeline prescribed
163 by the State Department of Education. Such credentials or cards
164 will expire on a predetermined date at the end of each school
165 year, but not before April 1 of each year;

166 (b) Twenty-two and nine one-hundredths percent (22.09%)
167 to the Board of Trustees of State Institutions of Higher Learning
168 for the purpose of supporting institutions of higher learning; and

169 (c) Fourteen and forty-one one-hundredths percent
170 (14.41%) to the Mississippi Community College Board for the
171 purpose of providing support to community and junior colleges.

172 (4) The amount remaining in the Education Enhancement Fund
173 after funds are distributed as provided in subsections (2) and (3)
174 of this section shall be appropriated for other educational needs.

175 (5) None of the funds appropriated pursuant to subsection
176 (3)(a) of this section shall be used to reduce the state's General



Fund appropriation for the categories listed in an amount below the following amounts:

(a) For subsection (3)(a)(ii) of this section, Thirty-six Million Seven Hundred Thousand Dollars (\$36,700,000.00);

(b) For the aggregate of minimum program allotments in the 1997 fiscal year, formerly provided for in Chapter 19, Title 37, Mississippi Code of 1972, as amended, excluding those funds for transportation as provided for in paragraph (a) of this subsection.

(6) Any funds appropriated from the Education Enhancement Fund that are unexpended at the end of a fiscal year shall lapse into the Education Enhancement Fund.

SECTION 4. Upon the effective date of this section, the State Treasurer, in conjunction with the State Fiscal Officer, shall transfer to the Education Enhancement Fund (Fund No. 4400100000) all remaining funds in the Educational Facilities Revolving Loan Fund (Fund No. 3320500000).

SECTION 5. Sections 1 and 2 of this act shall stand repealed on July 1, 2034.

SECTION 6. Section 1 of this act shall take effect and be in force from and after July 1, 2024, and the remainder of this act shall take effect and be in force from and after its passage.

