

By: Senator(s) Cuevas

To: Education;
Appropriations

SENATE BILL NO. 2808

1 AN ACT TO AMEND SECTION 37-61-9, MISSISSIPPI CODE OF 1972, TO
2 IMPOSE A PHASED-IN REDUCTION IN THE STATE DEPARTMENT OF EDUCATION
3 ADMINISTRATION BUDGET TO THE AVERAGE EXPENDITURE PER STATE OF THE
4 CONTIGUOUS STATES; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 37-61-9, Mississippi Code of 1972, is
7 amended as follows:

8 37-61-9. (1) On or before the fifteenth day of August of
9 each year, the local school board of each school district, with
10 the assistance of the superintendent of schools or administrative
11 superintendent, shall prepare and file with the levying authority
12 for the school district, as defined in Section 37-57-1,
13 Mississippi Code of 1972, at least two (2) copies of a budget of
14 estimated expenditures for the support, maintenance and operation
15 of the public schools of the school district for the fiscal year
16 commencing on July 1 of such year. Such budget shall be prepared
17 on forms prescribed and provided by the State Auditor and shall
18 contain such information as the State Auditor may require.

19 (2) In addition, on or before the fifteenth day of August of
20 each year, the local school board of each school district, with
21 the assistance of the superintendent of schools or administrative
22 superintendent, shall prepare and file with the State Department
23 of Education such budgetary information as the State Board of
24 Education may require. The State Board of Education shall
25 prescribe and provide forms to each school district for this
26 purpose.

27 (3) Prior to the adoption of a budget pursuant to this
28 section, the school board of each school district shall hold at



29 least one (1) public hearing to provide the general public with an
30 opportunity to comment on the taxing and spending plan
31 incorporated in the proposed budget. The public hearing shall be
32 held at least one (1) week prior to the adoption of the budget
33 with advance notice. After final adoption of the budget, a
34 synopsis of such budget in a form prescribed by the State
35 Department of Audit shall be published in a newspaper having
36 general circulation in the school district on a date different
37 from the date on which the county or any municipality therein may
38 publish its budget.

39 (4) Beginning with the fiscal year 1995-1996, there shall be
40 imposed limitations on budgeted expenditures for certain
41 administration costs, as defined hereinafter, in an amount not
42 greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus
43 four percent (4%) of the expenditures of all school districts each
44 year. For purposes of this subsection, "administration costs"
45 shall be defined as expenditures for salaries and fringe benefits
46 paid for central administration costs from all sources of revenue
47 in the following expenditure functions as defined in the
48 MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

- 49 2300 = Support Services - General Administration
- 50 2310 = Board of Education Services
- 51 2320 = Executive Administration Services
- 52 2330 = Special Area Administration Services
- 53 2500 = Business Services
- 54 2510 = Fiscal Services
- 55 2520 = Purchasing Services
- 56 2530 = Warehousing and Distributing Services
- 57 2540 = Printing, Publishing and Duplicating Services
- 58 2590 = Other Support Services - Business
- 59 2800 = Support Services - Central
- 60 2810 = Planning, Research, Development and Evaluation
- 61 2820 = Information Services



62 2830 = Staff Services

63 2840 = Data Processing Services

64 Any costs classified as "administration costs" for purposes
65 of this subsection which can be demonstrated by the local school
66 district to be an expenditure that results in a net cost savings
67 to the district that may otherwise require budget expenditures for
68 functions not covered under the definition of administration costs
69 herein may be excluded from the limitations imposed herein. The
70 local school board shall make a specific finding of such costs and
71 spread such finding upon its minutes, which shall be subject to
72 the approval of the Office of Educational Accountability of the
73 State Department of Education. Any school district required to
74 make expenditure cuts, as a result of application of this
75 subsection, shall not be required to reduce such expenditures more
76 than twenty-five percent (25%) in any year in order to comply with
77 this mandate.

78 The State Auditor shall ensure that functions in all
79 expenditure categories to which this administrative limitation
80 applies shall be properly classified.

81 This section shall not apply to central administration with
82 five (5) or less full-time employees, or to those school districts
83 which can substantiate that comparable reductions have occurred in
84 administrative costs for the five-year period immediately prior to
85 school year 1993-1994. In the event the application of this
86 section may jeopardize the fiscal integrity or operations of the
87 school district, have an adverse impact on the ability of the
88 district to deliver educational services, or otherwise restrict
89 the district from achieving or maintaining a quality education
90 program, the State Board of Education shall be authorized to
91 exempt the application of this section to such school district
92 pursuant to rules and regulations of the State Board of Education
93 consistent with the intent of this section.



94 (5) Beginning with the fiscal year 2002-2003, there shall be
95 imposed a limitation on the State Department of Education
96 Administration Budget of the appropriation for General Education
97 Programs to that percentage of the General Administration Budgets
98 of the contiguous states as compared to the overall total current
99 expenditure for education less the cost of construction and debt
100 service. This limitation shall be phased-in over a five-year
101 period, with at least a two percent (2%) reduction to be imposed
102 annually. The State Board of Education shall revise its annual
103 budget request to the Legislative Budget Office to phase-in this
104 requirement over a five-year period. The State Auditor shall
105 ensure that functions in all expenditure categories to which this
106 administrative limitation applies shall be properly classified.

107 **SECTION 2.** This act shall take effect and be in force from
108 and after its passage.

