

By: Senator(s) Harden

To: Education;  
Appropriations

SENATE BILL NO. 2404

1 AN ACT TO AMEND SECTIONS 37-13-63 AND 37-151-7, MISSISSIPPI  
2 CODE OF 1972, TO CLARIFY THE AUTHORITY OF THE STATE BOARD OF  
3 EDUCATION TO EXEMPT SCHOOLS FROM THE REQUIRED 180-DAY MINIMUM  
4 SCHOOL CALENDAR FOR TIME MISSED DUE TO EMERGENCIES AND TO CONTINUE  
5 TO PAY SCHOOL DISTRICTS FULL ADEQUATE EDUCATION PROGRAM  
6 ALLOTMENTS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 37-13-63, Mississippi Code of 1972, is  
9 amended as follows:

10 37-13-63. (1) All public schools in the state shall be kept  
11 in session for at least one hundred eighty (180) days in each  
12 scholastic year.

13 (2) If the school board of any school district shall  
14 determine that it is not economically feasible or practicable to  
15 operate any school within the district for the full one hundred  
16 eighty (180) days required for a scholastic year as contemplated  
17 due to an enemy attack, a manmade, technological or natural  
18 disaster in which the Governor has declared a disaster emergency  
19 under the laws of this state or the President of the United States  
20 has declared an emergency or major disaster to exist in this  
21 state, said school board may notify the State Department of  
22 Education of such disaster and submit a plan for altering the  
23 school term. If the State Board of Education finds such disaster  
24 to be the cause of the school not operating for the contemplated  
25 school term and that such school was in a school district covered  
26 by the Governor's or President's disaster declaration, it may  
27 permit said school board to operate the schools in its district  
28 for less than one hundred eighty (180) days.



29           **SECTION 2.** Section 37-151-7, Mississippi Code of 1972, is  
30 amended as follows:

31           37-151-7. The annual allocation to each school district for  
32 the operation of the adequate education program shall be  
33 determined as follows:

34           (1) Computation of the basic amount to be included for  
35 current operation in the adequate education program. The  
36 following procedure shall be followed in determining the annual  
37 allocation to each school district:

38           (a) **Determination of average daily attendance.** During  
39 months two (2) and three (3) of the current school year, the  
40 average daily attendance of a school district shall be computed,  
41 or the average daily attendance for the prior school year shall be  
42 used, whichever is greater. The district's average daily  
43 attendance shall be computed and currently maintained in  
44 accordance with regulations promulgated by the State Board of  
45 Education.

46           (b) **Determination of base student cost.** The State  
47 Board of Education, on or before August 1, with adjusted estimate  
48 no later than January 2, shall annually submit to the Legislative  
49 Budget Office and the Governor a proposed base student cost  
50 adequate to provide the following cost components of educating a  
51 pupil in an average school district meeting Level III  
52 accreditation standards required by the Commission on School  
53 Accreditation: (i) Instructional Cost; (ii) Administrative Cost;  
54 (iii) Operation and Maintenance of Plant; and (iv) Ancillary  
55 Support Cost. The department shall utilize a statistical  
56 methodology which considers such factors as, but not limited to,  
57 (i) school size; (ii) assessed valuation per pupil; (iii) the  
58 percentage of students receiving free lunch; (iv) the local  
59 district maintenance tax levy; (v) other local school district  
60 revenues; and (vi) the district's accreditation level, in the  
61 selection of the representative Mississippi school districts for



62 which cost information shall be obtained for each of the above  
63 listed cost areas.

64 For the instructional cost component, the department shall  
65 determine the instructional cost of each of the representative  
66 school districts selected above, excluding instructional cost of  
67 self-contained special education programs and vocational education  
68 programs, and the average daily attendance in the selected school  
69 districts. The instructional cost is then totaled and divided by  
70 the total average daily attendance for the selected school  
71 districts to yield the instructional cost component. For the  
72 administrative cost component, the department shall determine the  
73 administrative cost of each of the representative school districts  
74 selected above, excluding administrative cost of self-contained  
75 special education programs and vocational education programs, and  
76 the average daily attendance in the selected school districts.  
77 The administrative cost is then totaled and divided by the total  
78 average daily attendance for the selected school districts to  
79 yield the administrative cost component. For the plant and  
80 maintenance cost component, the department shall determine the  
81 plant and maintenance cost of each of the representative school  
82 districts selected above, excluding plant and maintenance cost of  
83 self-contained special education programs and vocational education  
84 programs, and the average daily attendance in the selected school  
85 districts. The plant and maintenance cost is then totaled and  
86 divided by the total average daily attendance for the selected  
87 school districts to yield the plant and maintenance cost  
88 component. For the ancillary support cost component, the  
89 department shall determine the ancillary support cost of each of  
90 the representative school districts selected above, excluding  
91 ancillary support cost of self-contained special education  
92 programs and vocational education programs, and the average daily  
93 attendance in the selected school districts. The ancillary  
94 support cost is then totaled and divided by the total average



95 daily attendance for the selected school districts to yield the  
96 ancillary support cost component. The total base cost for each  
97 year shall be the sum of the instructional cost component,  
98 administrative cost component, plant and maintenance cost  
99 component and ancillary support cost component, and any estimated  
100 adjustments for additional state requirements as determined by the  
101 State Board of Education. Provided, however, that the base  
102 student cost in fiscal year 1998 shall be Two Thousand Six Hundred  
103 Sixty-four Dollars (\$2,664.00).

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

108 Multiply the average daily attendance of the district by the  
109 base student cost as established by the Legislature, which yields  
110 the total base program cost for each school district.

111 (d) **Adjustment to the base student cost for at-risk**  
112 **pupils.** The amount to be included for at-risk pupil programs for  
113 each school district shall be computed as follows: Multiply the  
114 base student cost for the appropriate fiscal year as determined  
115 under paragraph (b) by five percent (5%), and multiply that  
116 product by the number of pupils participating in the federal free  
117 school lunch program in such school district, which yields the  
118 total adjustment for at-risk pupil programs for such school  
119 district.

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

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



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

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

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

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

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

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

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

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

154           (f) **Total projected adequate education program cost.**

155 The total Mississippi Adequate Education Program Cost shall be the  
156 sum of the total basic adequate education program cost (paragraph  
157 (c)), and the adjustment to the base student cost for at-risk  
158 pupils (paragraph (d)) for each school district.



159           (g) **Supplemental grant to school districts.** In  
160 addition to the adequate education program grant, the State  
161 Department of Education shall annually distribute an additional  
162 amount as follows: Multiply the base student cost for the  
163 appropriate fiscal year as determined under paragraph (b) by .13%  
164 and multiply that product by the average daily attendance of each  
165 school district. Such grant shall not be subject to the local  
166 revenue requirement provided in subsection (2).

167           (2) **Computation of the required local revenue in support of**  
168 **the adequate education program.** The amount that each district  
169 shall provide toward the cost of the adequate education program  
170 shall be calculated as follows:

171           (a) The State Board of Education shall certify to each  
172 school district that twenty-eight (28) mills, less the estimated  
173 amount of the yield of the School Ad Valorem Tax Reduction Fund  
174 grants as determined by the State Department of Education, is the  
175 millage rate required to provide the district required local  
176 effort for that year, or twenty-seven percent (27%) of the basic  
177 adequate education program cost for such school district as  
178 determined under subsection (c), whichever is a lesser amount. In  
179 the case of an agricultural high school the millage requirement  
180 shall be set at a level which generates an equitable amount per  
181 pupil to be determined by the State Board of Education.

182           (b) The State Board of Education shall determine (i)  
183 the total assessed valuation of nonexempt property for school  
184 purposes in each school district; (ii) assessed value of exempt  
185 property owned by homeowners aged sixty-five (65) or older or  
186 disabled as defined in Section 27-33-67(2), Mississippi Code of  
187 1972; (iii) the school district's tax loss from exemptions  
188 provided to applicants under the age of sixty-five (65) and not  
189 disabled as defined in Section 27-33-67(1), Mississippi Code of  
190 1972; and (iv) the school district's homestead reimbursement  
191 revenues.



192 (c) The amount of the total adequate education program  
193 funding which shall be contributed by each school district shall  
194 be the sum of the ad valorem receipts generated by the millage  
195 required under this subsection plus the following local revenue  
196 sources for the appropriate fiscal year which are or may be  
197 available for current expenditure by the school district:

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

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

202 (a) The required state effort in support of the  
203 adequate education program shall be determined by subtracting the  
204 sum of the required local tax effort as set forth in subsection  
205 (2)(a) of this section and the other local revenue sources as set  
206 forth in subsection (2)(c) of this section in an amount not to  
207 exceed twenty-seven percent (27%) of the total projected adequate  
208 education program cost as set forth in subsection (1)(f) of this  
209 section from the total projected adequate education program cost  
210 as set forth in subsection (1)(f) of this section.

211 (b) Provided, however, that in fiscal year 1998 and in  
212 the fiscal year in which the adequate education program is fully  
213 funded by the Legislature, any increase in the said state  
214 contribution, including the supplemental grant to school districts  
215 provided under subsection (1)(g), to any district calculated under  
216 this section shall be not less than eight percent (8%) in excess  
217 of the amount received by said district from state funds for the  
218 fiscal year immediately preceding. For purposes of this paragraph  
219 (b), state funds shall include minimum program funds less the  
220 add-on programs, state Uniform Millage Assistance Grant funds,  
221 Education Enhancement Funds appropriated for Uniform Millage  
222 Assistance Grants and state textbook allocations, and State  
223 General Funds allocated for textbooks.



224 (c) If the appropriation is less than full funding for  
225 fiscal year 2003, allocations for state contributions to school  
226 districts in support of the adequate education program will be  
227 determined by the State Department of Education in the following  
228 manner:

229 (i) Calculation of the full funding amount under  
230 this chapter, with proportionate reductions as required by the  
231 appropriation level.

232 (ii) Calculation of the amount equal to the state  
233 funds allocated to school districts for fiscal year 2002 plus the  
234 estimated amount to fund the adequate education program salary  
235 schedule for fiscal year 2003. For purposes of this item (ii),  
236 state funds shall be those described in paragraph (b) and an  
237 amount equal to the allocation for the adequate education program  
238 in fiscal year 2002, plus any additional amount required to  
239 satisfy fiscal year 2003 pledges in accordance with paragraphs  
240 (d), (e) and (f) of subsection (5) of this section. If a school  
241 district's fiscal year 2003 pledge is different than the pledge  
242 amount for fiscal year 2002, the district shall receive an amount  
243 equal to the fiscal year 2003 pledge or the amount of funds  
244 calculated under the adequate education formula for fiscal year  
245 2002 before any pledge guarantee for fiscal year 2002, whichever  
246 is greater. If the pledge is no longer in effect, the district  
247 shall receive the amount of funds calculated under the formula for  
248 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

249 (iii) The portion of any district's allocation  
250 calculated in item (i) of this paragraph which exceeds amounts as  
251 calculated in item (ii) shall be reduced by an amount not to  
252 exceed twenty-one percent (21%). The amount of funds generated by  
253 this reduction of funds shall be redistributed proportionately  
254 among those districts receiving insufficient funds to meet the  
255 amount calculated in item (ii). In no case may any district  
256 receive funds in an amount greater than the amount that the





257 district would have received under full funding of the program for  
258 fiscal year 2003.

259 (d) If the school board of any school district shall  
260 determine that it is not economically feasible or practicable to  
261 operate any school within the district for the full one hundred  
262 eighty (180) days required for a school term of a scholastic year  
263 as required in Section 37-13-63, Mississippi Code of 1972, due to  
264 an enemy attack, a manmade, technological or natural disaster in  
265 which the Governor has declared a disaster emergency under the  
266 laws of this state or the President of the United States has  
267 declared an emergency or major disaster to exist in this state,  
268 said school board may notify the State Department of Education of  
269 such disaster and submit a plan for altering the school term. If  
270 the State Board of Education finds such disaster to be the cause  
271 of the school not operating for the contemplated school term and  
272 that such school was in a school district covered by the  
273 Governor's or President's disaster declaration, it may permit said  
274 school board to operate the schools in its district for less than  
275 one hundred eighty (180) days and, in such case, the State  
276 Department of Education shall not reduce the state contributions  
277 to the adequate education program allotment for such district,  
278 because of the failure to operate said schools for one hundred  
279 eighty (180) days.

280 (4) The State Adequate Education Program Fund is hereby  
281 established in the State Treasury which shall be used to  
282 distribute any funds specifically appropriated by the Legislature  
283 to such fund, to school districts entitled to increased  
284 allocations of state funds under the adequate education program  
285 funding formula prescribed in Sections 37-151-3, 37-151-5 and  
286 37-151-7 of this article. If the Legislature provides less funds  
287 than the total state funds needed for support of such increased  
288 allocations under the adequate education program, the State  
289 Department of Education shall reduce all elements of the cost of



290 the adequate education program proportionately. Any such adequate  
291 education program funds shall be transferred to the school  
292 district maintenance fund of such district in the manner  
293 prescribed in Section 37-19-47, Mississippi Code of 1972, and  
294 shall be expended in the manner provided by law.

295 (5) The Interim School District Capital Expenditure Fund is  
296 hereby established in the State Treasury which shall be used to  
297 distribute any funds specifically appropriated by the Legislature  
298 to such fund to school districts entitled to increased allocations  
299 of state funds under the adequate education program funding  
300 formula prescribed in Sections 37-151-3 through 37-151-7,  
301 Mississippi Code of 1972, until such time as the said adequate  
302 education program is fully funded by the Legislature. The  
303 following percentages of the total state cost of increased  
304 allocations of funds under the adequate education program funding  
305 formula shall be appropriated by the Legislature into the Interim  
306 School District Capital Expenditure Fund to be distributed to all  
307 school districts under the formula: Nine and two-tenths percent  
308 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
309 (20%) shall be appropriated in fiscal year 1999, forty percent  
310 (40%) shall be appropriated in fiscal year 2000, sixty percent  
311 (60%) shall be appropriated in fiscal year 2001, eighty percent  
312 (80%) shall be appropriated in fiscal year 2002, and one hundred  
313 percent (100%) shall be appropriated in fiscal year 2003 into the  
314 State Adequate Education Program Fund created in subsection (4).  
315 Until July 1, 2002, such money shall be used by school districts  
316 for the following purposes:

317 (a) Purchasing, erecting, repairing, equipping,  
318 remodeling and enlarging school buildings and related facilities,  
319 including gymnasiums, auditoriums, lunchrooms, vocational training  
320 buildings, libraries, school barns and garages for transportation  
321 vehicles, school athletic fields and necessary facilities  
322 connected therewith, and purchasing land therefor. Any such



323 capital improvement project by a school district shall be approved  
324 by the State Board of Education, and based on an approved  
325 long-range plan. The State Board of Education shall promulgate  
326 minimum requirements for the approval of school district capital  
327 expenditure plans.

328 (b) Providing necessary water, light, heating, air  
329 conditioning, and sewerage facilities for school buildings, and  
330 purchasing land therefor.

331 (c) Paying debt service on existing capital improvement  
332 debt of the district or refinancing outstanding debt of a district  
333 if such refinancing will result in an interest cost savings to the  
334 district.

335 (d) From and after October 1, 1997, through June 30,  
336 1998, pursuant to a school district capital expenditure plan  
337 approved by the State Department of Education, a school district  
338 may pledge such funds until July 1, 2002, plus funds provided for  
339 in paragraph (e) of this subsection (5) that are not otherwise  
340 permanently pledged under such paragraph (e) to pay all or a  
341 portion of the debt service on debt issued by the school district  
342 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
343 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
344 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
345 issued by boards of supervisors for agricultural high schools  
346 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
347 lease-purchase contracts entered into pursuant to Section 31-7-13,  
348 Mississippi Code of 1972, or to retire or refinance outstanding  
349 debt of a district, if such pledge is accomplished pursuant to a  
350 written contract or resolution approved and spread upon the  
351 minutes of an official meeting of the district's school board or  
352 board of supervisors. It is the intent of this provision to allow  
353 school districts to irrevocably pledge their Interim School  
354 District Capital Expenditure Fund allotments as a constant stream  
355 of revenue to secure a debt issued under the foregoing code



356 sections. To allow school districts to make such an irrevocable  
357 pledge, the state shall take all action necessary to ensure that  
358 the amount of a district's Interim School District Capital  
359 Expenditure Fund allotments shall not be reduced below the amount  
360 certified by the department or the district's total allotment  
361 under the Interim Capital Expenditure Fund if fully funded, so  
362 long as such debt remains outstanding.

363 (e) From and after October 1, 1997, through June 30,  
364 1998, in addition to any other authority a school district may  
365 have, any school district may issue State Aid Capital Improvement  
366 Bonds secured in whole by a continuing annual pledge of any  
367 Mississippi Adequate Education Program funds available to the  
368 district, in an amount not to exceed One Hundred Sixty Dollars  
369 (\$160.00) per pupil based on the latest completed average daily  
370 attendance count certified by the department prior to the issuance  
371 of the bonds. Such State Aid Capital Improvement Bonds may be  
372 issued for the purposes enumerated in subsections (a), (b), (c)  
373 and (g) of this section. Prior to issuing such bonds, the school  
374 board of the district shall adopt a resolution declaring the  
375 necessity for and its intention of issuing such bonds and  
376 borrowing such money, specifying the approximate amount to be so  
377 borrowed, how such money is to be used and how such indebtedness  
378 is to be evidenced. Any capital improvement project financed with  
379 State Aid Capital Improvement Bonds shall be approved by the  
380 department, and based on an approved long-range plan. The State  
381 Board of Education shall promulgate minimum requirements for the  
382 approval of such school district capital expenditure plans. The  
383 State Board of Education shall not approve any capital expenditure  
384 plan for a pledge of funds under this paragraph unless it  
385 determines (i) that the quality of instruction in such district  
386 will not be reduced as a result of this pledge, and (ii) the  
387 district has other revenue available to attain and maintain at  
388 least Level III accreditation.



389           A district issuing State Aid Capital Improvement Bonds may  
390 pledge for the repayment of such bonds all funds received by the  
391 district from the state, in an amount not to exceed One Hundred  
392 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
393 the school district as set forth above, and not otherwise  
394 permanently pledged under paragraph (d) of this subsection or  
395 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
396 district's school board shall specify by resolution the amount of  
397 state funds, which are being pledged by the district for the  
398 repayment of the State Aid Capital Improvement Bonds. Once such a  
399 pledge is made to secure the bonds, the district shall notify the  
400 department of such pledge. Upon making such a pledge, the school  
401 district may request the department which may agree to irrevocably  
402 transfer a specified amount or percentage of the district's state  
403 revenue pledged to repay the district's State Aid Capital  
404 Improvement Bonds directly to a state or federally chartered bank  
405 serving as a trustee or paying agent on such bonds for the payment  
406 of all or portion of such State Aid Capital Improvement Bonds.  
407 Such instructions shall be incorporated into a resolution by the  
408 school board for the benefit of holders of the bonds and may  
409 provide that such withholding and transfer of such other available  
410 funds shall be made only upon notification by a trustee or paying  
411 agent on such bonds that the amounts available to pay such bonds  
412 on any payment date will not be sufficient. It is the intent of  
413 this provision to allow school districts to irrevocably pledge a  
414 certain, constant stream of revenue as security for State Aid  
415 Capital Improvement Bonds issued hereunder. To allow school  
416 districts to make such an irrevocable pledge, the state shall take  
417 all action necessary to ensure that the amount of a district's  
418 state revenues up to an amount equal to One Hundred Sixty Dollars  
419 (\$160.00) per pupil as set forth above which have been pledged to  
420 repay debt as set forth herein shall not be reduced so long as any  
421 State Aid Capital Improvement Bonds are outstanding.



422 Any such State Aid Capital Improvement bonds shall mature as  
423 determined by the district's school bond over a period not to  
424 exceed twenty (20) years. Such bonds shall not bear a greater  
425 overall maximum interest rate to maturity than that allowed in  
426 Section 75-17-101, Mississippi Code of 1972. The further details  
427 and terms of such bonds shall be as determined by the school board  
428 of the district.

429 The provisions of this subsection shall be cumulative and  
430 supplemental to any existing funding programs or other authority  
431 conferred upon school districts or school boards. Debt of a  
432 school district secured in whole by a pledge of revenue pursuant  
433 to this section shall not be subject to any debt limitation.

434 For purposes of this paragraph (e), "State Aid Capital  
435 Improvement Bond" shall mean any bond, note, or other certificate  
436 of indebtedness issued by a school district under the provisions  
437 hereof.

438 This paragraph (e) shall stand repealed from and after June  
439 30, 1998.

440 (f) As an alternative to the authority granted under  
441 paragraph (e), a school district, in its discretion, may authorize  
442 the State Board of Education to withhold an amount of the  
443 district's adequate education program allotment equal to up to One  
444 Hundred Sixty Dollars (\$160.00) per student in average daily  
445 attendance in the district to be allocated to the State Public  
446 School Building Fund to the credit of such school district. A  
447 school district may choose the option provided under this  
448 paragraph (e) or paragraph (f), but not both. In addition to the  
449 grants made by the state pursuant to Section 37-47-9, a school  
450 district shall be entitled to grants based on the allotments to  
451 the State Public School Building Fund credited to such school  
452 district under this paragraph. This paragraph (f) shall stand  
453 repealed from and after June 30, 1998.



454 (g) The State Board of Education may authorize the  
455 school district to expend not more than twenty percent (20%) of  
456 its annual allotment of such funds or Twenty Thousand Dollars  
457 (\$20,000.00), whichever is greater, for technology needs of the  
458 school district, including computers, software,  
459 telecommunications, cable television, interactive video, film  
460 low-power television, satellite communications, microwave  
461 communications, technology-based equipment installation and  
462 maintenance, and the training of staff in the use of such  
463 technology-based instruction. Any such technology expenditure  
464 shall be reflected in the local district technology plan approved  
465 by the State Board of Education under Section 37-151-17,  
466 Mississippi Code of 1972.

467 (h) To the extent a school district has not utilized  
468 twenty percent (20%) of its annual allotment for technology  
469 purposes under paragraph (g), a school district may expend not  
470 more than twenty percent (20%) of its annual allotment or Twenty  
471 Thousand Dollars (\$20,000.00), whichever is greater, for  
472 instructional purposes. The State Board of Education may  
473 authorize a school district to expend more than said twenty  
474 percent (20%) of its annual allotment for instructional purposes  
475 if it determines that such expenditures are needed for  
476 accreditation purposes.

477 (i) The State Department of Education or the State  
478 Board of Education may require that any project commenced pursuant  
479 to this act with an estimated project cost of not less than Five  
480 Million Dollars (\$5,000,000.00) shall be done only pursuant to  
481 program management of the process with respect to design and  
482 construction. Any individuals, partnerships, companies or other  
483 entities acting as a program manager on behalf of a local school  
484 district and performing program management services for projects  
485 covered under this subsection shall be approved by the State  
486 Department of Education.



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

491           The provisions of this subsection (5) shall be cumulative and  
492 supplemental to any existing funding programs or other authority  
493 conferred upon school districts or school boards.

494           **SECTION 3.** This act shall take effect and be in force from  
495 and after its passage.

