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To: Education;
Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2731

1 AN ACT TO CREATE A COMMISSION ON RESTRUCTURING THE
2 MISSISSIPPI ADEQUATE EDUCATION PROGRAM (MAEP); TO AMEND SECTION
3 37-151-7, MISSISSIPPI CODE OF 1972, TO REVISE THE FORMULA FOR
4 COMPUTING AVERAGE DAILY ATTENDANCE OF STUDENTS FOR PURPOSES OF THE
5 MISSISSIPPI ADEQUATE EDUCATION PROGRAM; TO PROVIDE THAT THE
6 DEPARTMENT OF FINANCE AND ADMINISTRATION SHALL ANNUALLY DETERMINE
7 THE BASE STUDENT COST UNDER THE FORMULA; TO PROVIDE THAT AT-RISK
8 FUNDING IS ONLY AVAILABLE FOR STUDENTS IN GRADES K-8; TO AUTHORIZE
9 CERTAIN COST SAVINGS TO THE FORMULA TO BE EXPENDED FOR HIGH GROWTH
10 SCHOOL DISTRICTS; TO BRING FORWARD SECTION 37-19-7, MISSISSIPPI
11 CODE OF 1972, RELATING TO THE TEACHER SALARY SCALE UNDER THE
12 ADEQUATE EDUCATION PROGRAM; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) There is created a Commission on
15 Restructuring the Mississippi Adequate Education Program (MAEP).

16 The commission shall, at a minimum, study and report on the
17 following factors related to MAEP:

- 18 (a) Local contributions to MAEP;
- 19 (b) Base Student Cost;
- 20 (c) Selection of school districts for funding
21 calculations;
- 22 (d) Add-on programs;
- 23 (e) High growth districts; and
- 24 (f) At-risk student funds.

25 (2) The State Board of Education shall contract with a
26 consulting firm that has expertise in public school funding
27 formulas to assist the commission with the study. The commission
28 shall make a report of its findings and recommendations to the
29 Legislature by November 1, 2005, including any recommended
30 legislation. The commission shall continue in existence and shall
31 conduct a periodic study to update its recommendations relative to

32 MAEP and make a report by November 1 in the first year of every
33 four-year term of office of statewide officials and legislators.

34 (3) The commission shall be composed of the following ten
35 (10) members:

36 (a) The Chairmen of the House and Senate Education
37 Committees;

38 (b) The Chairmen of the House and Senate Appropriation
39 Committees;

40 (c) Three (3) representatives to be appointed by the
41 Speaker of the House, at least one (1) of which shall be a member
42 of the Joint Legislative Budget Committee;

43 (d) Three (3) Senators to be appointed by the
44 Lieutenant Governor, at least one (1) of which shall be a member
45 of the Joint Legislative Budget Committee;

46 (e) The State Superintendent of Education, or his
47 designee;

48 (f) The Associate State Superintendent of Education for
49 Accountability;

50 (g) The Executive Director of the Department of Finance
51 and Administration, or his designee;

52 (h) A local school superintendent appointed by the
53 Governor;

54 (i) A local school business administrator designated by
55 the Mississippi School Boards Association;

56 (j) A member of the State Board of Education appointed
57 by the Chairman of the board; and

58 (k) The Executive Director of the Legislative Budget
59 Office.

60 (4) Appointments shall be made within thirty (30) days after
61 the effective date of this act. The commission shall hold its
62 first meeting before August 1, 2005. The Chairman of the House
63 Education Committee and the Chairman of the Senate Education
64 Committee shall serve as cochairmen of the commission.

65 (5) A majority of the members of the task force shall
66 constitute a quorum. In the adoption of rules, resolutions and
67 reports, an affirmative vote of a majority of the task force shall
68 be required. All members shall be notified in writing of all
69 meetings, such notices to be mailed at least five (5) days prior
70 to the date on which a meeting is to be held.

71 (6) Members of the commission may not be compensated for the
72 performance of their duties. Any incidental costs associated with
73 conducting the study shall be paid by the State Department of
74 Education.

75 (7) The commission is authorized to accept money from any
76 source, public or private, to be expended in implementing its
77 duties under this section.

78 (8) To effectuate the purposes of this section, any
79 department, division, board, bureau, commission or agency of the
80 state or of any political subdivision thereof shall, at the
81 request of the chairperson of the task force, provide to the
82 commission such facilities, assistance and data as will enable the
83 commission to properly carry out its duties.

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

86 37-151-7. The annual allocation to each school district for
87 the operation of the adequate education program shall be
88 determined as follows:

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

93 (a) **Determination of average daily attendance.** During
94 months two (2) and three (3) of the current school year, the
95 average daily attendance of a school district shall be
96 computed * * * and currently maintained in accordance with
97 regulations promulgated by the State Board of Education.

98 (b) **Determination of base student cost.** The State
99 Department of Finance and Administration, on or before August 1,
100 with adjusted estimate no later than January 2, shall annually
101 submit to the Legislative Budget Office and the Governor a
102 proposed base student cost adequate to provide the following cost
103 components of educating a pupil in an average school district
104 meeting Level III accreditation standards required by the
105 Commission on School Accreditation: (i) Instructional Cost; (ii)
106 Administrative Cost; (iii) Operation and Maintenance of Plant; and
107 (iv) Ancillary Support Cost. The Department of Finance and
108 Administration shall utilize a statistical methodology which
109 considers such factors as, but not limited to, (i) school size;
110 (ii) assessed valuation per pupil; (iii) the percentage of
111 students receiving free lunch; (iv) the local district maintenance
112 tax levy; (v) other local school district revenues; and (vi) the
113 district's accreditation level, in the selection of the
114 representative Mississippi school districts for which cost
115 information shall be obtained for each of the above listed cost
116 areas.

117 For the instructional cost component, the Department of
118 Finance and Administration shall determine the instructional cost
119 of each of the representative school districts selected above,
120 excluding instructional cost of self-contained special education
121 programs and vocational education programs, and the average daily
122 attendance in the selected school districts. The instructional
123 cost is then totaled and divided by the total average daily
124 attendance for the selected school districts to yield the
125 instructional cost component. For the administrative cost
126 component, the department shall determine the administrative cost
127 of each of the representative school districts selected above,
128 excluding administrative cost of self-contained special education
129 programs and vocational education programs, and the average daily
130 attendance in the selected school districts. The administrative

131 cost is then totaled and divided by the total average daily
132 attendance for the selected school districts to yield the
133 administrative cost component. For the plant and maintenance cost
134 component, the department shall determine the plant and
135 maintenance cost of each of the representative school districts
136 selected above, excluding plant and maintenance cost of
137 self-contained special education programs and vocational education
138 programs, and the average daily attendance in the selected school
139 districts. The plant and maintenance cost is then totaled and
140 divided by the total average daily attendance for the selected
141 school districts to yield the plant and maintenance cost
142 component. For the ancillary support cost component, the
143 department shall determine the ancillary support cost of each of
144 the representative school districts selected above, excluding
145 ancillary support cost of self-contained special education
146 programs and vocational education programs, and the average daily
147 attendance in the selected school districts. The ancillary
148 support cost is then totaled and divided by the total average
149 daily attendance for the selected school districts to yield the
150 ancillary support cost component. The total base cost for each
151 year shall be the sum of the instructional cost component,
152 administrative cost component, plant and maintenance cost
153 component and ancillary support cost component, and any estimated
154 adjustments for additional state requirements as determined by the
155 Department of Finance and Administration. Provided, however, that
156 the base student cost in fiscal year 1998 shall be Two Thousand
157 Six Hundred Sixty-four Dollars (\$2,664.00).

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

162 Multiply the average daily attendance of the district by the
163 base student cost as established by the Legislature upon the

164 recommendation of the Department of Finance and Administration,
165 which yields the total base program cost for each school district.

166 (d) **Adjustment to the base student cost for at-risk**
167 **pupils.** The amount to be included for at-risk pupil programs for
168 each school district shall be computed as follows: Multiply the
169 base student cost for the appropriate fiscal year as determined
170 under paragraph (b) by five percent (5%), and multiply that
171 product by the number of pupils in Grades Kindergarten through 8
172 who are participating in the federal free school lunch program in
173 such school district, which yields the total adjustment for
174 at-risk pupil programs for such school district.

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

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

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

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

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

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

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

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

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

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

209 (f) **Total projected adequate education program cost.**
210 The total Mississippi Adequate Education Program cost shall be the
211 sum of the total basic adequate education program cost (paragraph
212 (c)), and the adjustment to the base student cost for at-risk
213 pupils (paragraph (d)) for each school district.

214 (g) **Supplemental grant to school districts.** In
215 addition to the adequate education program grant, the State
216 Department of Education shall annually distribute an additional
217 amount as follows: Multiply the base student cost for the
218 appropriate fiscal year as determined under paragraph (b) by
219 thirteen one-hundredths percent (.13%) and multiply that product
220 by the average daily attendance of each school district. Such
221 grant shall not be subject to the local revenue requirement
222 provided in subsection (2).

223 (2) **Computation of the required local revenue in support of**
224 **the adequate education program.** The amount that each district
225 shall provide toward the cost of the adequate education program
226 shall be calculated as follows:

227 (a) The State Board of Education shall certify to each
228 school district that twenty-eight (28) mills, less the estimated
229 amount of the yield of the School Ad Valorem Tax Reduction Fund

230 grants as determined by the State Department of Education, is the
231 millage rate required to provide the district required local
232 effort for that year, or twenty-seven percent (27%) of the basic
233 adequate education program cost for such school district as
234 determined under subsection (c), whichever is a lesser amount. In
235 the case of an agricultural high school the millage requirement
236 shall be set at a level which generates an equitable amount per
237 pupil to be determined by the State Board of Education.

238 (b) The State Board of Education shall determine (i)
239 the total assessed valuation of nonexempt property for school
240 purposes in each school district; (ii) assessed value of exempt
241 property owned by homeowners aged sixty-five (65) or older or
242 disabled as defined in Section 27-33-67(2), Mississippi Code of
243 1972; (iii) the school district's tax loss from exemptions
244 provided to applicants under the age of sixty-five (65) and not
245 disabled as defined in Section 27-33-67(1), Mississippi Code of
246 1972; and (iv) the school district's homestead reimbursement
247 revenues.

248 (c) The amount of the total adequate education program
249 funding which shall be contributed by each school district shall
250 be the sum of the ad valorem receipts generated by the millage
251 required under this subsection plus the following local revenue
252 sources for the appropriate fiscal year which are or may be
253 available for current expenditure by the school district:

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

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

258 (a) The required state effort in support of the
259 adequate education program shall be determined by subtracting the
260 sum of the required local tax effort as set forth in subsection
261 (2)(a) of this section and the other local revenue sources as set
262 forth in subsection (2)(c) of this section in an amount not to

263 exceed twenty-seven percent (27%) of the total projected adequate
264 education program cost as set forth in subsection (1)(f) of this
265 section from the total projected adequate education program cost
266 as set forth in subsection (1)(f) of this section.

267 (b) Provided, however, that in fiscal year 1998 and in
268 the fiscal year in which the adequate education program is fully
269 funded by the Legislature, any increase in the said state
270 contribution, including the supplemental grant to school districts
271 provided under subsection (1)(g), to any district calculated under
272 this section shall be not less than eight percent (8%) in excess
273 of the amount received by said district from state funds for the
274 fiscal year immediately preceding. For purposes of this paragraph
275 (b), state funds shall include minimum program funds less the
276 add-on programs, State Uniform Millage Assistance Grant Funds,
277 Education Enhancement Funds appropriated for Uniform Millage
278 Assistance Grants and state textbook allocations, and State
279 General Funds allocated for textbooks.

280 (c) If the appropriation is less than full funding for
281 fiscal year 2003, allocations for state contributions to school
282 districts in support of the adequate education program will be
283 determined by the State Department of Education in the following
284 manner:

285 (i) Calculation of the full funding amount under
286 this chapter, with proportionate reductions as required by the
287 appropriation level.

288 (ii) Calculation of the amount equal to the state
289 funds allocated to school districts for fiscal year 2002 plus the
290 estimated amount to fund the adequate education program salary
291 schedule for fiscal year 2003. For purposes of this item (ii),
292 state funds shall be those described in paragraph (b) and an
293 amount equal to the allocation for the adequate education program
294 in fiscal year 2002, plus any additional amount required to
295 satisfy fiscal year 2003 pledges in accordance with paragraphs

296 (d), (e) and (f) of subsection (5) of this section. If a school
297 district's fiscal year 2003 pledge is different than the pledge
298 amount for fiscal year 2002, the district shall receive an amount
299 equal to the fiscal year 2003 pledge or the amount of funds
300 calculated under the adequate education formula for fiscal year
301 2002 before any pledge guarantee for fiscal year 2002, whichever
302 is greater. If the pledge is no longer in effect, the district
303 shall receive the amount of funds calculated under the formula for
304 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

305 (iii) The portion of any district's allocation
306 calculated in item (i) of this paragraph which exceeds amounts as
307 calculated in item (ii) shall be reduced by an amount not to
308 exceed twenty-one percent (21%). The amount of funds generated by
309 this reduction of funds shall be redistributed proportionately
310 among those districts receiving insufficient funds to meet the
311 amount calculated in item (ii). In no case may any district
312 receive funds in an amount greater than the amount that the
313 district would have received under full funding of the program for
314 fiscal year 2003.

315 (d) If the school board of any school district shall
316 determine that it is not economically feasible or practicable to
317 operate any school within the district for the full one hundred
318 eighty (180) days required for a school term of a scholastic year
319 as required in Section 37-13-63, Mississippi Code of 1972, due to
320 an enemy attack, a man-made, technological or natural disaster in
321 which the Governor has declared a disaster emergency under the
322 laws of this state or the President of the United States has
323 declared an emergency or major disaster to exist in this state,
324 said school board may notify the State Department of Education of
325 such disaster and submit a plan for altering the school term. If
326 the State Board of Education finds such disaster to be the cause
327 of the school not operating for the contemplated school term and
328 that such school was in a school district covered by the

329 Governor's or President's disaster declaration, it may permit said
330 school board to operate the schools in its district for less than
331 one hundred eighty (180) days and, in such case, the State
332 Department of Education shall not reduce the state contributions
333 to the adequate education program allotment for such district,
334 because of the failure to operate said schools for one hundred
335 eighty (180) days.

336 (4) If during the year for which adequate education program
337 funds are appropriated, any school district experiences a three
338 percent (3%) or greater increase in average daily attendance
339 during the second and third month over the preceding year's second
340 and third month and the school district has requested a minimum
341 increase of four percent (4%) in local ad valorem revenues over
342 the previous year as authorized in Sections 37-57-104 and
343 37-57-105, an additional allocation of adequate education program
344 funds calculated in the following manner shall be granted to that
345 district, using any additional funds available to the Department
346 of Education that exceed the amount of funds due to the school
347 districts under the basic adequate education program distribution
348 as provided for in this chapter:

349 (a) Determine the percentage increase in average daily
350 attendance for the second and third months of the year for which
351 adequate education program funds are appropriated over the
352 preceding year's second and third month average daily attendance.

353 (b) For those districts that have a three percent (3%)
354 or greater increase as calculated in paragraph (a) of this
355 subsection, multiply the total increase in students in average
356 daily attendance for the second and third months of the year for
357 which adequate education program funds are appropriated over the
358 preceding year's second and third month average daily attendance
359 times the base student cost used in the appropriation.

360 (c) Subtract the percentage of the district's local
361 contribution arrived at in subsection (2) of this section from the

362 amount calculated in paragraph (b) of this subsection. The
363 remainder is the additional allocation in adequate education
364 program funds for that district.

365 It is the intention of the Legislature to expend fifty
366 percent (50%) of any cost savings to the state as a result of
367 changing the method of determining average daily attendance under
368 subsection (1), for the support of the high-growth districts
369 eligible under this subsection (4).

370 If the funds available to the Department of Education are not
371 sufficient to fully fund the additional allocations to school
372 districts eligible for those allocations, then the department
373 shall prorate the available funds among the eligible school
374 districts, using the same percentage of the total funds that the
375 school district would have received if the allocations were fully
376 funded. The State Department of Education shall study and develop
377 a report to the Chairmen of the Senate and House Committees on
378 Education by January 1, 2005, with options for legislative
379 consideration that will insure that the Mississippi Adequate
380 Education funds are distributed to school districts based on
381 current year student attendance or enrollment.

382 This subsection (4) shall stand repealed on July 1, 2006.

383 (5) The Interim School District Capital Expenditure Fund is
384 hereby established in the State Treasury which shall be used to
385 distribute any funds specifically appropriated by the Legislature
386 to such fund to school districts entitled to increased allocations
387 of state funds under the adequate education program funding
388 formula prescribed in Sections 37-151-3 through 37-151-7,
389 Mississippi Code of 1972, until such time as the said adequate
390 education program is fully funded by the Legislature. The
391 following percentages of the total state cost of increased
392 allocations of funds under the adequate education program funding
393 formula shall be appropriated by the Legislature into the Interim
394 School District Capital Expenditure Fund to be distributed to all

395 school districts under the formula: Nine and two-tenths percent
396 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
397 (20%) shall be appropriated in fiscal year 1999, forty percent
398 (40%) shall be appropriated in fiscal year 2000, sixty percent
399 (60%) shall be appropriated in fiscal year 2001, eighty percent
400 (80%) shall be appropriated in fiscal year 2002, and one hundred
401 percent (100%) shall be appropriated in fiscal year 2003 into the
402 State Adequate Education Program Fund created in subsection (4).
403 Until July 1, 2002, such money shall be used by school districts
404 for the following purposes:

405 (a) Purchasing, erecting, repairing, equipping,
406 remodeling and enlarging school buildings and related facilities,
407 including gymnasiums, auditoriums, lunchrooms, vocational training
408 buildings, libraries, school barns and garages for transportation
409 vehicles, school athletic fields and necessary facilities
410 connected therewith, and purchasing land therefor. Any such
411 capital improvement project by a school district shall be approved
412 by the State Board of Education, and based on an approved
413 long-range plan. The State Board of Education shall promulgate
414 minimum requirements for the approval of school district capital
415 expenditure plans.

416 (b) Providing necessary water, light, heating, air
417 conditioning, and sewerage facilities for school buildings, and
418 purchasing land therefor.

419 (c) Paying debt service on existing capital improvement
420 debt of the district or refinancing outstanding debt of a district
421 if such refinancing will result in an interest cost savings to the
422 district.

423 (d) From and after October 1, 1997, through June 30,
424 1998, pursuant to a school district capital expenditure plan
425 approved by the State Department of Education, a school district
426 may pledge such funds until July 1, 2002, plus funds provided for
427 in paragraph (e) of this subsection (5) that are not otherwise

428 permanently pledged under such paragraph (e) to pay all or a
429 portion of the debt service on debt issued by the school district
430 under Sections 37-59-1 through 37-59-45, 37-59-101 through
431 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
432 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
433 issued by boards of supervisors for agricultural high schools
434 pursuant to Section 37-27-65, Mississippi Code of 1972, or
435 lease-purchase contracts entered into pursuant to Section 31-7-13,
436 Mississippi Code of 1972, or to retire or refinance outstanding
437 debt of a district, if such pledge is accomplished pursuant to a
438 written contract or resolution approved and spread upon the
439 minutes of an official meeting of the district's school board or
440 board of supervisors. It is the intent of this provision to allow
441 school districts to irrevocably pledge their Interim School
442 District Capital Expenditure Fund allotments as a constant stream
443 of revenue to secure a debt issued under the foregoing code
444 sections. To allow school districts to make such an irrevocable
445 pledge, the state shall take all action necessary to ensure that
446 the amount of a district's Interim School District Capital
447 Expenditure Fund allotments shall not be reduced below the amount
448 certified by the department or the district's total allotment
449 under the Interim Capital Expenditure Fund if fully funded, so
450 long as such debt remains outstanding.

451 (e) From and after October 1, 1997, through June 30,
452 1998, in addition to any other authority a school district may
453 have, any school district may issue State Aid Capital Improvement
454 Bonds secured in whole by a continuing annual pledge of any
455 Mississippi Adequate Education Program funds available to the
456 district, in an amount not to exceed One Hundred Sixty Dollars
457 (\$160.00) per pupil based on the latest completed average daily
458 attendance count certified by the department prior to the issuance
459 of the bonds. Such State Aid Capital Improvement Bonds may be
460 issued for the purposes enumerated in paragraphs (a), (b), (c) and

461 (g) of this section. Prior to issuing such bonds, the school
462 board of the district shall adopt a resolution declaring the
463 necessity for and its intention of issuing such bonds and
464 borrowing such money, specifying the approximate amount to be so
465 borrowed, how such money is to be used and how such indebtedness
466 is to be evidenced. Any capital improvement project financed with
467 State Aid Capital Improvement Bonds shall be approved by the
468 department, and based on an approved long-range plan. The State
469 Board of Education shall promulgate minimum requirements for the
470 approval of such school district capital expenditure plans. The
471 State Board of Education shall not approve any capital expenditure
472 plan for a pledge of funds under this paragraph unless it
473 determines (i) that the quality of instruction in such district
474 will not be reduced as a result of this pledge, and (ii) the
475 district has other revenue available to attain and maintain at
476 least Level III accreditation.

477 A district issuing State Aid Capital Improvement Bonds may
478 pledge for the repayment of such bonds all funds received by the
479 district from the state, in an amount not to exceed One Hundred
480 Sixty Dollars (\$160.00) per pupil in average daily attendance in
481 the school district as set forth above, and not otherwise
482 permanently pledged under paragraph (d) of this subsection or
483 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
484 district's school board shall specify by resolution the amount of
485 state funds, which are being pledged by the district for the
486 repayment of the State Aid Capital Improvement Bonds. Once such a
487 pledge is made to secure the bonds, the district shall notify the
488 department of such pledge. Upon making such a pledge, the school
489 district may request the department which may agree to irrevocably
490 transfer a specified amount or percentage of the district's state
491 revenue pledged to repay the district's State Aid Capital
492 Improvement Bonds directly to a state or federally chartered bank
493 serving as a trustee or paying agent on such bonds for the payment

494 of all or portion of such State Aid Capital Improvement Bonds.
495 Such instructions shall be incorporated into a resolution by the
496 school board for the benefit of holders of the bonds and may
497 provide that such withholding and transfer of such other available
498 funds shall be made only upon notification by a trustee or paying
499 agent on such bonds that the amounts available to pay such bonds
500 on any payment date will not be sufficient. It is the intent of
501 this provision to allow school districts to irrevocably pledge a
502 certain, constant stream of revenue as security for State Aid
503 Capital Improvement Bonds issued hereunder. To allow school
504 districts to make such an irrevocable pledge, the state shall take
505 all action necessary to ensure that the amount of a district's
506 state revenues up to an amount equal to One Hundred Sixty Dollars
507 (\$160.00) per pupil as set forth above which have been pledged to
508 repay debt as set forth herein shall not be reduced so long as any
509 State Aid Capital Improvement Bonds are outstanding.

510 Any such State Aid Capital Improvement Bonds shall mature as
511 determined by the district's school bond over a period not to
512 exceed twenty (20) years. Such bonds shall not bear a greater
513 overall maximum interest rate to maturity than that allowed in
514 Section 75-17-101, Mississippi Code of 1972. The further details
515 and terms of such bonds shall be as determined by the school board
516 of the district.

517 The provisions of this subsection shall be cumulative and
518 supplemental to any existing funding programs or other authority
519 conferred upon school districts or school boards. Debt of a
520 school district secured in whole by a pledge of revenue pursuant
521 to this section shall not be subject to any debt limitation.

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

526 This paragraph (e) shall stand repealed from and after June
527 30, 1998.

528 (f) As an alternative to the authority granted under
529 paragraph (e), a school district, in its discretion, may authorize
530 the State Board of Education to withhold an amount of the
531 district's adequate education program allotment equal to up to One
532 Hundred Sixty Dollars (\$160.00) per student in average daily
533 attendance in the district to be allocated to the State Public
534 School Building Fund to the credit of such school district. A
535 school district may choose the option provided under this
536 paragraph (e) or paragraph (f), but not both. In addition to the
537 grants made by the state pursuant to Section 37-47-9, a school
538 district shall be entitled to grants based on the allotments to
539 the State Public School Building Fund credited to such school
540 district under this paragraph. This paragraph (f) shall stand
541 repealed from and after June 30, 1998.

542 (g) The State Board of Education may authorize the
543 school district to expend not more than twenty percent (20%) of
544 its annual allotment of such funds or Twenty Thousand Dollars
545 (\$20,000.00), whichever is greater, for technology needs of the
546 school district, including computers, software,
547 telecommunications, cable television, interactive video, film
548 low-power television, satellite communications, microwave
549 communications, technology-based equipment installation and
550 maintenance, and the training of staff in the use of such
551 technology-based instruction. Any such technology expenditure
552 shall be reflected in the local district technology plan approved
553 by the State Board of Education under Section 37-151-17,
554 Mississippi Code of 1972.

555 (h) To the extent a school district has not utilized
556 twenty percent (20%) of its annual allotment for technology
557 purposes under paragraph (g), a school district may expend not
558 more than twenty percent (20%) of its annual allotment or Twenty

559 Thousand Dollars (\$20,000.00), whichever is greater, for
560 instructional purposes. The State Board of Education may
561 authorize a school district to expend more than said twenty
562 percent (20%) of its annual allotment for instructional purposes
563 if it determines that such expenditures are needed for
564 accreditation purposes.

565 (i) The State Department of Education or the State
566 Board of Education may require that any project commenced under
567 this section with an estimated project cost of not less than Five
568 Million Dollars (\$5,000,000.00) shall be done only pursuant to
569 program management of the process with respect to design and
570 construction. Any individuals, partnerships, companies or other
571 entities acting as a program manager on behalf of a local school
572 district and performing program management services for projects
573 covered under this subsection shall be approved by the State
574 Department of Education.

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

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

582 **SECTION 3.** Section 37-19-7, Mississippi Code of 1972, is
583 brought forward as follows:

584 37-19-7. (1) This section shall be known and may be cited
585 as the Mississippi "Teacher Opportunity Program (TOP)." The
586 allowance in the minimum education program and the Mississippi
587 Adequate Education Program for teachers' salaries in each county
588 and separate school district shall be determined and paid in
589 accordance with the scale for teachers' salaries as provided in
590 this subsection. For teachers holding the following types of
591 licenses or the equivalent as determined by the State Board of

592 Education, and the following number of years of teaching
593 experience, the scale shall be as follows:

594 **2004-2005 School Year**

595 **Less Than 25 Years of Teaching Experience**

596	AAAA.....	\$ 31,775.00
597	AAA.....	30,850.00
598	AA.....	29,925.00
599	A.....	28,000.00

600 **25 or More Years of Teaching Experience**

601	AAAA.....	\$ 33,775.00
602	AAA.....	32,850.00
603	AA.....	31,925.00
604	A.....	30,000.00

605 The State Board of Education shall revise the salary scale
606 prescribed above for the 2004-2005 school year to conform to any
607 adjustments made to the salary scale in prior fiscal years due to
608 revenue growth over and above five percent (5%). For each one
609 percent (1%) that the Sine Die General Fund Revenue Estimate
610 Growth exceeds five percent (5%) for fiscal year 2005, as
611 certified by the Legislative Budget Office to the State Board of
612 Education and subject to specific appropriation therefor by the
613 Legislature, the State Board of Education shall revise the salary
614 scale to provide an additional one percent (1%) across the board
615 increase in the base salaries for each type of license.

616 **2005-2006 School Year and School Years Thereafter**

617 **Less Than 25 Years of Teaching Experience**

618	AAAA.....	\$ 34,000.00
619	AAA.....	33,000.00
620	AA.....	32,000.00
621	A.....	30,000.00

622 **25 or More Years of Teaching Experience**

623	AAAA.....	\$ 36,000.00
624	AAA.....	35,000.00

625 AA..... 34,000.00

626 A..... 32,000.00

627 The State Board of Education shall revise the salary scale
628 prescribed above for the 2005-2006 school year to conform to any
629 adjustments made to the salary scale in prior fiscal years due to
630 revenue growth over and above five percent (5%). For each one
631 percent (1%) that the Sine Die General Fund Revenue Estimate
632 Growth exceeds five percent (5%) for fiscal year 2006, as
633 certified by the Legislative Budget Office to the State Board of
634 Education and subject to specific appropriation therefor by the
635 Legislature, the State Board of Education shall revise the salary
636 scale to provide an additional one percent (1%) across the board
637 increase in the base salaries for each type of license.

638 It is the intent of the Legislature that any state funds made
639 available for salaries of licensed personnel in excess of the
640 funds paid for such salaries for the 1986-1987 school year shall
641 be paid to licensed personnel pursuant to a personnel appraisal
642 and compensation system implemented by the State Board of
643 Education. The State Board of Education shall have the authority
644 to adopt and amend rules and regulations as are necessary to
645 establish, administer and maintain the system.

646 All teachers employed on a full-time basis shall be paid a
647 minimum salary in accordance with the above scale. However, no
648 school district shall receive any funds under this section for any
649 school year during which the local supplement paid to any
650 individual teacher shall have been reduced to a sum less than that
651 paid to that individual teacher for performing the same duties
652 from local supplement during the immediately preceding school
653 year. The amount actually spent for the purposes of group health
654 and/or life insurance shall be considered as a part of the
655 aggregate amount of local supplement but shall not be considered a
656 part of the amount of individual local supplement.

657 **2004-2005 School Year Annual Increment**

658 For teachers holding a Class AAAA license, the minimum base
659 pay specified in this subsection shall be increased by the sum of
660 Seven Hundred Forty Dollars (\$740.00) for each year of teaching
661 experience possessed by the person holding such license until such
662 person shall have twenty-five (25) years of teaching experience.

663 For teachers holding a Class AAA license, the minimum base
664 pay specified in this subsection shall be increased by the sum of
665 Six Hundred Seventy-five Dollars (\$675.00) for each year of
666 teaching experience possessed by the person holding such license
667 until such person shall have twenty-five (25) years of teaching
668 experience.

669 For teachers holding a Class AA license, the minimum base pay
670 specified in this subsection shall be increased by the sum of Six
671 Hundred Ten Dollars (\$610.00) for each year of teaching experience
672 possessed by the person holding such license until such person
673 shall have twenty-five (25) years of teaching experience.

674 For teachers holding a Class A license, the minimum base pay
675 specified in this subsection shall be increased by the sum of Four
676 Hundred Sixty-five Dollars (\$465.00) for each year of teaching
677 experience possessed by the person holding such license until such
678 person shall have twenty-four (24) years of teaching experience.

679 **2005-2006 School Year**

680 **and School Years Thereafter Annual Increments**

681 For teachers holding a Class AAAA license, the minimum base
682 pay specified in this subsection shall be increased by the sum of
683 Seven Hundred Seventy Dollars (\$770.00) for each year of teaching
684 experience possessed by the person holding such license until such
685 person shall have twenty-five (25) years of teaching experience.

686 For teachers holding a Class AAA license, the minimum base
687 pay specified in this subsection shall be increased by the sum of
688 Seven Hundred Five Dollars (\$705.00) for each year of teaching
689 experience possessed by the person holding such license until such
690 person shall have twenty-five (25) years of teaching experience.

691 For teachers holding a Class AA license, the minimum base pay
692 specified in this subsection shall be increased by the sum of Six
693 Hundred Forty Dollars (\$640.00) for each year of teaching
694 experience possessed by the person holding such license until such
695 person shall have twenty-five (25) years of teaching experience.

696 For teachers holding a Class A license, the minimum base pay
697 specified in this subsection shall be increased by the sum of Four
698 Hundred Eighty Dollars (\$480.00) for each year of teaching
699 experience possessed by the person holding such license until such
700 person shall have twenty-four (24) years of teaching experience.

701 The level of professional training of each teacher to be used
702 in establishing the salary allotment for the teachers for each
703 year shall be determined by the type of valid teacher's license
704 issued to those teachers on or before October 1 of the current
705 school year.

706 (2) (a) The following employees shall receive an annual
707 salary supplement in the amount of Six Thousand Dollars
708 (\$6,000.00), plus fringe benefits, in addition to any other
709 compensation to which the employee may be entitled:

710 (i) Any licensed teacher who has met the
711 requirements and acquired a Master Teacher certificate from the
712 National Board for Professional Teaching Standards and who is
713 employed by a local school board or the State Board of Education
714 as a teacher and not as an administrator. Such teacher shall
715 submit documentation to the State Department of Education that the
716 certificate was received prior to October 15 in order to be
717 eligible for the full salary supplement in the current school
718 year, or the teacher shall submit such documentation to the State
719 Department of Education prior to February 15 in order to be
720 eligible for a prorated salary supplement beginning with the
721 second term of the school year.

722 (ii) A licensed nurse who has met the requirements
723 and acquired a certificate from the National Board for

724 Certification of School Nurses, Inc., and who is employed by a
725 local school board or the State Board of Education as a school
726 nurse and not as an administrator. The licensed school nurse
727 shall submit documentation to the State Department of Education
728 that the certificate was received before October 15 in order to be
729 eligible for the full salary supplement in the current school
730 year, or the licensed school nurse shall submit the documentation
731 to the State Department of Education before February 15 in order
732 to be eligible for a prorated salary supplement beginning with the
733 second term of the school year. Provided, however, that the total
734 number of licensed school nurses eligible for a salary supplement
735 under this paragraph (ii) shall not exceed twenty (20).

736 (iii) Any licensed school counselor who has met
737 the requirements and acquired a National Certified School
738 Counselor (NCSC) endorsement from the National Board of Certified
739 Counselors and who is employed by a local school board or the
740 State Board of Education as a counselor and not as an
741 administrator. Such licensed school counselor shall submit
742 documentation to the State Department of Education that the
743 endorsement was received prior to October 15 in order to be
744 eligible for the full salary supplement in the current school
745 year, or the licensed school counselor shall submit such
746 documentation to the State Department of Education prior to
747 February 15 in order to be eligible for a prorated salary
748 supplement beginning with the second term of the school year.
749 However, any school counselor who started the National Board for
750 Professional Teaching Standards process for school counselors
751 between June 1, 2003, and June 30, 2004, and completes the
752 requirements and acquires the master teacher certificate shall be
753 entitled to the master teacher supplement, and those counselors
754 who complete the process shall be entitled to a one (1) time
755 reimbursement for the actual cost of the process as outlined in
756 paragraph (b) of this subsection.

757 (iv) Any licensed speech-language pathologist and
758 audiologist who has met the requirements and acquired a
759 Certificate of Clinical Competence from the American
760 Speech-Language-Hearing Association and who is employed by a local
761 school board. Such licensed speech-language pathologist and
762 audiologist shall submit documentation to the State Department of
763 Education that the certificate or endorsement was received prior
764 to October 15 in order to be eligible for the full salary
765 supplement in the current school year, or the licensed
766 speech-language pathologist and audiologist shall submit such
767 documentation to the State Department of Education prior to
768 February 15 in order to be eligible for a prorated salary
769 supplement beginning with the second term of the school year.

770 (b) An employee shall be reimbursed one (1) time for
771 the actual cost of completing the process of acquiring the
772 certificate or endorsement, excluding any costs incurred for
773 postgraduate courses, not to exceed Five Hundred Dollars (\$500.00)
774 for a school counselor or speech-language pathologist and
775 audiologist, regardless of whether or not the process resulted in
776 the award of the certificate or endorsement. A local school
777 district or any private individual or entity may pay the cost of
778 completing the process of acquiring the certificate or endorsement
779 for any employee of the school district described under paragraph
780 (a), and the State Department of Education shall reimburse the
781 school district for such cost, regardless of whether or not the
782 process resulted in the award of the certificate or endorsement.
783 If a private individual or entity has paid the cost of completing
784 the process of acquiring the certificate or endorsement for an
785 employee, the local school district may agree to directly
786 reimburse the individual or entity for such cost on behalf of the
787 employee.

788 (c) All salary supplements, fringe benefits and process
789 reimbursement authorized under this subsection shall be paid

790 directly by the State Department of Education to the local school
791 district and shall be in addition to its minimum education program
792 allotments and not a part thereof in accordance with regulations
793 promulgated by the State Board of Education, and subject to
794 appropriation by the Legislature. Local school districts shall
795 not reduce the local supplement paid to any employee receiving
796 such salary supplement, and the employee shall receive any local
797 supplement to which employees with similar training and experience
798 otherwise are entitled.

799 (d) The State Department of Education may not pay any
800 process reimbursement to a school district for an employee who
801 does not complete the certification or endorsement process
802 required to be eligible for the certificate or endorsement. If an
803 employee for whom such cost has been paid in full or in part by a
804 local school district or private individual or entity fails to
805 complete the certification or endorsement process, the employee
806 shall be liable to the school district or individual or entity for
807 all amounts paid by the school district or individual or entity on
808 behalf of that employee toward his or her certificate or
809 endorsement.

810 **SECTION 4.** This act shall take effect and be in force from
811 and after July 1, 2005.