

## REPORT OF CONFERENCE COMMITTEE

MADAM PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2731: Mississippi Adequate Education Program; create study commission and revise certain components.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

10           **SECTION 1.** (1) There is created a Commission on  
11 Restructuring the Mississippi Adequate Education Program (MAEP).  
12 The commission shall, at a minimum, study and report on the  
13 following factors related to MAEP:  
14           (a) Efficiency;  
15           (b) Local contributions to MAEP;  
16           (c) Base student cost;  
17           (d) Selection of school districts for funding  
18 calculations;  
19           (e) The factors that contribute to high performing  
20 schools;  
21           (f) Add-on programs;  
22           (g) High growth districts;  
23           (h) At-risk student funds; and  
24           (i) Determination of average daily attendance.  
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  
35 seventeen (17) 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 State Auditor, or his designee;

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

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

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

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

59 (4) Appointments shall be made within thirty (30) days after  
60 the effective date of this act. The commission shall hold its  
61 first meeting before August 1, 2005. The Chairman of the House

62 Education Committee and the Chairman of the Senate Education  
63 Committee shall serve as co-chairmen of the commission.

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

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

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

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

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

85 37-151-7. The annual allocation to each school district for  
86 the operation of the adequate education program shall be  
87 determined as follows:

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

92 (a) **Determination of average daily attendance.** During  
93 months two and three of the current school year, the average daily

94 attendance of a school district shall be computed, or the average  
95 daily attendance for the prior school year shall be used,  
96 whichever is greater. The district's average daily attendance  
97 shall be computed and currently maintained in accordance with  
98 regulations promulgated by the State Board of Education.

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

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

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

157 (c) **Determination of the basic adequate education**

158 **program cost.** The basic amount for current operation to be  
159 included in the Mississippi Adequate Education Program for each  
160 school district shall be computed as follows:

161 Multiply the average daily attendance of the district by the  
162 base student cost as established by the Legislature, which yields  
163 the total base program cost for each school district.

164 (d) **Adjustment to the base student cost for at-risk**

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

173 (e) **Add-on program cost.** The amount to be allocated to

174 school districts in addition to the adequate education program  
175 cost for add-on programs for each school district shall be  
176 computed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

230           (a) The State Board of Education shall certify to each  
231 school district that twenty-eight (28) mills, less the estimated  
232 amount of the yield of the School Ad Valorem Tax Reduction Fund  
233 grants as determined by the State Department of Education, is the  
234 millage rate required to provide the district required local  
235 effort for that year, or twenty-seven percent (27%) of the basic  
236 adequate education program cost for such school district as  
237 determined under subsection (c), whichever is a lesser amount. In  
238 the case of an agricultural high school the millage requirement  
239 shall be set at a level which generates an equitable amount per  
240 pupil to be determined by the State Board of Education.

241           (b) The State Board of Education shall determine (i)  
242 the total assessed valuation of nonexempt property for school  
243 purposes in each school district; (ii) assessed value of exempt  
244 property owned by homeowners aged sixty-five (65) or older or  
245 disabled as defined in Section 27-33-67(2), Mississippi Code of  
246 1972; (iii) the school district's tax loss from exemptions  
247 provided to applicants under the age of sixty-five (65) and not  
248 disabled as defined in Section 27-33-67(1), Mississippi Code of  
249 1972; and (iv) the school district's homestead reimbursement  
250 revenues.

251           (c) The amount of the total adequate education program  
252 funding which shall be contributed by each school district shall



253 be the sum of the ad valorem receipts generated by the millage  
254 required under this subsection plus the following local revenue  
255 sources for the appropriate fiscal year which are or may be  
256 available for current expenditure by the school district:

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

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

261             (a) The required state effort in support of the  
262 adequate education program shall be determined by subtracting the  
263 sum of the required local tax effort as set forth in subsection  
264 (2)(a) of this section and the other local revenue sources as set  
265 forth in subsection (2)(c) of this section in an amount not to  
266 exceed twenty-seven percent (27%) of the total projected adequate  
267 education program cost as set forth in subsection (1)(f) of this  
268 section from the total projected adequate education program cost  
269 as set forth in subsection (1)(f) of this section.

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

283             (c) If the appropriation is less than full funding for  
284 fiscal year 2003, allocations for state contributions to school

285 districts in support of the adequate education program will be  
286 determined by the State Department of Education in the following  
287 manner:

288                   (i) Calculation of the full funding amount under  
289 this chapter, with proportionate reductions as required by the  
290 appropriation level.

291                   (ii) Calculation of the amount equal to the state  
292 funds allocated to school districts for fiscal year 2002 plus the  
293 estimated amount to fund the adequate education program salary  
294 schedule for fiscal year 2003. For purposes of this item (ii),  
295 state funds shall be those described in paragraph (b) and an  
296 amount equal to the allocation for the adequate education program  
297 in fiscal year 2002, plus any additional amount required to  
298 satisfy fiscal year 2003 pledges in accordance with paragraphs  
299 (d), (e) and (f) of subsection (5) of this section. If a school  
300 district's fiscal year 2003 pledge is different than the pledge  
301 amount for fiscal year 2002, the district shall receive an amount  
302 equal to the fiscal year 2003 pledge or the amount of funds  
303 calculated under the adequate education formula for fiscal year  
304 2002 before any pledge guarantee for fiscal year 2002, whichever  
305 is greater. If the pledge is no longer in effect, the district  
306 shall receive the amount of funds calculated under the formula for  
307 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

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

316 district would have received under full funding of the program for  
317 fiscal year 2003.

318 (d) If the school board of any school district shall  
319 determine that it is not economically feasible or practicable to  
320 operate any school within the district for the full one hundred  
321 eighty (180) days required for a school term of a scholastic year  
322 as required in Section 37-13-63, Mississippi Code of 1972, due to  
323 an enemy attack, a man-made, technological or natural disaster in  
324 which the Governor has declared a disaster emergency under the  
325 laws of this state or the President of the United States has  
326 declared an emergency or major disaster to exist in this state,  
327 said school board may notify the State Department of Education of  
328 such disaster and submit a plan for altering the school term. If  
329 the State Board of Education finds such disaster to be the cause  
330 of the school not operating for the contemplated school term and  
331 that such school was in a school district covered by the  
332 Governor's or President's disaster declaration, it may permit said  
333 school board to operate the schools in its district for less than  
334 one hundred eighty (180) days and, in such case, the State  
335 Department of Education shall not reduce the state contributions  
336 to the adequate education program allotment for such district,  
337 because of the failure to operate said schools for one hundred  
338 eighty (180) days.

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

348 district, using any additional funds available to the Department  
349 of Education that exceed the amount of funds due to the school  
350 districts under the basic adequate education program distribution  
351 as provided for in this chapter:

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

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

363 (c) Subtract the percentage of the district's local  
364 contribution arrived at in subsection (2) of this section from the  
365 amount calculated in paragraph (b) of this subsection. The  
366 remainder is the additional allocation in adequate education  
367 program funds for that district.

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

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

381 (5) The Interim School District Capital Expenditure Fund is  
382 hereby established in the State Treasury which shall be used to  
383 distribute any funds specifically appropriated by the Legislature  
384 to such fund to school districts entitled to increased allocations  
385 of state funds under the adequate education program funding  
386 formula prescribed in Sections 37-151-3 through 37-151-7,  
387 Mississippi Code of 1972, until such time as the said adequate  
388 education program is fully funded by the Legislature. The  
389 following percentages of the total state cost of increased  
390 allocations of funds under the adequate education program funding  
391 formula shall be appropriated by the Legislature into the Interim  
392 School District Capital Expenditure Fund to be distributed to all  
393 school districts under the formula: Nine and two-tenths percent  
394 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
395 (20%) shall be appropriated in fiscal year 1999, forty percent  
396 (40%) shall be appropriated in fiscal year 2000, sixty percent  
397 (60%) shall be appropriated in fiscal year 2001, eighty percent  
398 (80%) shall be appropriated in fiscal year 2002, and one hundred  
399 percent (100%) shall be appropriated in fiscal year 2003 into the  
400 State Adequate Education Program Fund created in subsection (4).  
401 Until July 1, 2002, such money shall be used by school districts  
402 for the following purposes:

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

412 minimum requirements for the approval of school district capital  
413 expenditure plans.

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

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

421 (d) From and after October 1, 1997, through June 30,  
422 1998, pursuant to a school district capital expenditure plan  
423 approved by the State Department of Education, a school district  
424 may pledge such funds until July 1, 2002, plus funds provided for  
425 in paragraph (e) of this subsection (5) that are not otherwise  
426 permanently pledged under such paragraph (e) to pay all or a  
427 portion of the debt service on debt issued by the school district  
428 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
429 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
430 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
431 issued by boards of supervisors for agricultural high schools  
432 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
433 lease-purchase contracts entered into pursuant to Section 31-7-13,  
434 Mississippi Code of 1972, or to retire or refinance outstanding  
435 debt of a district, if such pledge is accomplished pursuant to a  
436 written contract or resolution approved and spread upon the  
437 minutes of an official meeting of the district's school board or  
438 board of supervisors. It is the intent of this provision to allow  
439 school districts to irrevocably pledge their Interim School  
440 District Capital Expenditure Fund allotments as a constant stream  
441 of revenue to secure a debt issued under the foregoing code  
442 sections. To allow school districts to make such an irrevocable  
443 pledge, the state shall take all action necessary to ensure that

444 the amount of a district's Interim School District Capital  
445 Expenditure Fund allotments shall not be reduced below the amount  
446 certified by the department or the district's total allotment  
447 under the Interim Capital Expenditure Fund if fully funded, so  
448 long as such debt remains outstanding.

449 (e) From and after October 1, 1997, through June 30,  
450 1998, in addition to any other authority a school district may  
451 have, any school district may issue State Aid Capital Improvement  
452 Bonds secured in whole by a continuing annual pledge of any  
453 Mississippi Adequate Education Program funds available to the  
454 district, in an amount not to exceed One Hundred Sixty Dollars  
455 (\$160.00) per pupil based on the latest completed average daily  
456 attendance count certified by the department prior to the issuance  
457 of the bonds. Such State Aid Capital Improvement Bonds may be  
458 issued for the purposes enumerated in paragraphs (a), (b), (c) and  
459 (g) of this section. Prior to issuing such bonds, the school  
460 board of the district shall adopt a resolution declaring the  
461 necessity for and its intention of issuing such bonds and  
462 borrowing such money, specifying the approximate amount to be so  
463 borrowed, how such money is to be used and how such indebtedness  
464 is to be evidenced. Any capital improvement project financed with  
465 State Aid Capital Improvement Bonds shall be approved by the  
466 department, and based on an approved long-range plan. The State  
467 Board of Education shall promulgate minimum requirements for the  
468 approval of such school district capital expenditure plans. The  
469 State Board of Education shall not approve any capital expenditure  
470 plan for a pledge of funds under this paragraph unless it  
471 determines (i) that the quality of instruction in such district  
472 will not be reduced as a result of this pledge, and (ii) the  
473 district has other revenue available to attain and maintain at  
474 least Level III accreditation.

475 A district issuing State Aid Capital Improvement Bonds may  
476 pledge for the repayment of such bonds all funds received by the  
477 district from the state, in an amount not to exceed One Hundred  
478 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
479 the school district as set forth above, and not otherwise  
480 permanently pledged under paragraph (d) of this subsection or  
481 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
482 district's school board shall specify by resolution the amount of  
483 state funds, which are being pledged by the district for the  
484 repayment of the State Aid Capital Improvement Bonds. Once such a  
485 pledge is made to secure the bonds, the district shall notify the  
486 department of such pledge. Upon making such a pledge, the school  
487 district may request the department which may agree to irrevocably  
488 transfer a specified amount or percentage of the district's state  
489 revenue pledged to repay the district's State Aid Capital  
490 Improvement Bonds directly to a state or federally chartered bank  
491 serving as a trustee or paying agent on such bonds for the payment  
492 of all or portion of such State Aid Capital Improvement Bonds.  
493 Such instructions shall be incorporated into a resolution by the  
494 school board for the benefit of holders of the bonds and may  
495 provide that such withholding and transfer of such other available  
496 funds shall be made only upon notification by a trustee or paying  
497 agent on such bonds that the amounts available to pay such bonds  
498 on any payment date will not be sufficient. It is the intent of  
499 this provision to allow school districts to irrevocably pledge a  
500 certain, constant stream of revenue as security for State Aid  
501 Capital Improvement Bonds issued hereunder. To allow school  
502 districts to make such an irrevocable pledge, the state shall take  
503 all action necessary to ensure that the amount of a district's  
504 state revenues up to an amount equal to One Hundred Sixty Dollars  
505 (\$160.00) per pupil as set forth above which have been pledged to



506 repay debt as set forth herein shall not be reduced so long as any  
507 State Aid Capital Improvement Bonds are outstanding.

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

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

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

524 This paragraph (e) shall stand repealed from and after June  
525 30, 1998.

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

538 district under this paragraph. This paragraph (f) shall stand  
539 repealed from and after June 30, 1998.

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

553 (h) To the extent a school district has not utilized  
554 twenty percent (20%) of its annual allotment for technology  
555 purposes under paragraph (g), a school district may expend not  
556 more than twenty percent (20%) of its annual allotment or Twenty  
557 Thousand Dollars (\$20,000.00), whichever is greater, for  
558 instructional purposes. The State Board of Education may  
559 authorize a school district to expend more than said twenty  
560 percent (20%) of its annual allotment for instructional purposes  
561 if it determines that such expenditures are needed for  
562 accreditation purposes.

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

570 district and performing program management services for projects  
571 covered under this subsection shall be approved by the State  
572 Department of Education.

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

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

580 **SECTION 3.** Section 37-151-85, Mississippi Code of 1972, is  
581 amended as follows:

582 37-151-85. (1) The amount to be allotted by the State Board  
583 of Education for transportation shall be determined as follows:

584 The State Department of Education shall calculate the cost of  
585 transportation in school districts by ascertaining the average  
586 cost per pupil in average daily attendance of transported pupils  
587 in school districts classified in different density groups as  
588 determined by the State Department of Education. Based on these  
589 calculations, the State Department of Education shall develop a  
590 scale for determining the allowable cost per pupil in different  
591 density groups, which scale shall provide greatest allowance per  
592 pupil transported in school districts with lowest densities and  
593 smallest allowance per pupil in school districts with highest  
594 densities. The total allowance in the adequate education program  
595 for transported children for any school district for the current  
596 year shall be the average daily attendance of the transported  
597 children for the nine (9) months of the prior year, multiplied by  
598 the allowance per transported pupil as provided herein. However,  
599 the State Department of Education is hereby authorized and  
600 empowered to make proper adjustments in allotments, under rules  
601 and regulations of the State Board of Education, in cases where

602 major changes in the number of children in average daily  
603 attendance transported occur from one year to another as a result  
604 of changes or alterations in the boundaries of school districts, a  
605 change in or relocation of attendance centers, or for other  
606 reasons which would result in major decrease or increase in the  
607 number of children in average daily attendance transported during  
608 the current school year as compared with the preceding year.  
609 Moreover, the State Board of Education is hereby authorized and  
610 empowered to make such payments to all districts and/or  
611 university-based programs as deemed necessary in connection with  
612 transporting exceptional children as defined in Section 37-23-3.  
613 The State Board of Education shall establish and implement all  
614 necessary rules and regulations to allot transportation payments  
615 to university-based programs. In developing density  
616 classifications under the provisions hereof, the State Department  
617 of Education may give consideration to the length of the route,  
618 the sparsity of the population, the lack of adequate roads,  
619 highways and bridges, and the presence of large streams or other  
620 geographic obstacles. In addition to funds allotted under the  
621 above provisions, funds shall be allotted to each school district  
622 that transports students from their assigned school or attendance  
623 center to classes in an approved vocational-technical center at a  
624 rate per mile not to exceed the average statewide cost per mile of  
625 school bus transportation during the preceding year exclusive of  
626 bus replacement. All such transportation must have prior approval  
627 by the State Department of Education.

628 (2) The average daily attendance of transported children  
629 shall be reported by the school district in which such children  
630 attend school. If children living in a school district are  
631 transported at the expense of such school district to another  
632 school district, the average daily attendance of such transported  
633 children shall be deducted by the State Department of Education

634 from the aggregate average daily attendance of transported  
635 children in the school district in which they attend school and  
636 shall be added to the aggregate average daily attendance of  
637 transported children of the school district from which they come  
638 for the purpose of calculating transportation allotments.

639 However, such deduction shall not be made for the purpose of  
640 calculating adequate education program pupil-based funding.

641 (3) The State Department of Education shall include in the  
642 allowance for transportation for each school district an amount  
643 for the replacement of school buses or the purchase of new buses,  
644 which amount shall be calculated upon the estimated useful life of  
645 all school buses being used for the transportation of children in  
646 such school district, whether such buses be publicly or privately  
647 owned.

648 (4) The school boards of all districts operating school bus  
649 transportation are authorized and directed to establish a salary  
650 schedule for school bus drivers. No school district shall be  
651 entitled to receive the funds herein allotted for transportation  
652 unless it pays each of its nonstudent adult school bus drivers  
653 paid from such transportation allotments a minimum of One Hundred  
654 Ninety Dollars (\$190.00) per month. In addition, local school  
655 boards may compensate school bus drivers for actual expenses  
656 incurred when acquiring an initial commercial license or any  
657 renewal of a commercial license in order to drive a school bus.  
658 In addition, local school boards may compensate school bus drivers  
659 for expenses, not to exceed One Hundred Dollars (\$100.00), when  
660 acquiring an initial medical exam or any renewal of a medical  
661 exam, in order to qualify for a commercial driver's license.

662 (5) The State Board of Education shall be authorized and  
663 empowered to use such part of the funds appropriated for  
664 transportation in the adequate education fund as may be necessary

665 to finance driver training courses as provided for in Section  
666 37-41-1, Mississippi Code of 1972.

667 (6) The State Board of Education, acting through the  
668 Department of Education, may compensate school bus drivers, who  
669 are providing driving services to the various state operated  
670 schools, such as the Mississippi School for the Deaf, the  
671 Mississippi School for the Blind, the Mississippi School of the  
672 Arts, the Mississippi School for Math and Science and any other  
673 similar state operated schools, for actual expenses incurred when  
674 acquiring an initial commercial license or any renewal of a  
675 commercial license in order to drive a school bus.

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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 PROVIDE THAT THE STATE  
4 AUDITOR SHALL ANNUALLY VERIFY ALL CALCULATIONS UNDER THE FORMULA;  
5 TO AMEND SECTION 37-151-85, MISSISSIPPI CODE OF 1972, TO AUTHORIZE  
6 LOCAL SCHOOL DISTRICTS TO COMPENSATE SCHOOL BUS DRIVERS FOR THE  
7 EXPENSE OF MEDICAL EXAMS REQUIRED FOR A COMMERCIAL DRIVER'S  
8 LICENSE; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

CONFEREES FOR THE HOUSE

X (SIGNED)  
Chaney

X (SIGNED)  
Brown

X (SIGNED)  
Clarke

X (SIGNED)  
Jennings

X (SIGNED)  
Tollison

X (SIGNED)  
Broomfield