

## REPORT OF CONFERENCE COMMITTEE

# 2

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:

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) Efficiency;  
19           (b) Local contributions to MAEP;  
20           (c) Base student cost;  
21           (d) Selection of school districts for funding  
22 calculations;  
23           (e) The factors that contribute to high performing  
24 schools;  
25           (f) Add-on programs;  
26           (g) High growth districts;  
27           (h) At-risk student funds; and  
28           (i) Determination of average daily attendance.  
29           (2) The State Board of Education shall contract with a  
30 consulting firm that has expertise in public school funding  
31 formulas to assist the commission with the study. The commission  
32 shall make a report of its findings and recommendations to the  
33 Legislature by November 1, 2005, including any recommended  
34 legislation. The commission shall continue in existence and shall

35 conduct a periodic study to update its recommendations relative to  
36 MAEP and make a report by November 1 in the first year of every  
37 four-year term of office of statewide officials and legislators.

38 (3) The commission shall be composed of the following  
39 seventeen (17) members:

40 (a) The Chairmen of the House and Senate Education  
41 Committees;

42 (b) The Chairmen of the House and Senate Appropriation  
43 Committees;

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

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

50 (e) The State Superintendent of Education, or his  
51 designee;

52 (f) The Associate State Superintendent of Education for  
53 Accountability;

54 (g) The State Auditor, or his designee;

55 (h) A local school superintendent appointed by the  
56 Governor;

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

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

61 (k) The Executive Director of the Legislative Budget  
62 Office.

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

66 Education Committee and the Chairman of the Senate Education  
67 Committee shall serve as co-chairmen of the commission.

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

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

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

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

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

89 37-151-7. The annual allocation to each school district for  
90 the operation of the adequate education program shall be  
91 determined as follows:

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

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

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

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

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

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

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

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

165 Multiply the average daily attendance of the district by the  
166 base student cost as established by the Legislature, which yields  
167 the total base program cost for each school district.

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

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

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

178 school districts in addition to the adequate education program  
179 cost for add-on programs for each school district shall be  
180 computed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

230           **(2) Computation of the required local revenue in support of**  
231 **the adequate education program.** The amount that each district  
232 shall provide toward the cost of the adequate education program  
233 shall be calculated as follows:

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

245           (b) The State Board of Education shall determine (i)  
246 the total assessed valuation of nonexempt property for school  
247 purposes in each school district; (ii) assessed value of exempt  
248 property owned by homeowners aged sixty-five (65) or older or  
249 disabled as defined in Section 27-33-67(2), Mississippi Code of  
250 1972; (iii) the school district's tax loss from exemptions  
251 provided to applicants under the age of sixty-five (65) and not  
252 disabled as defined in Section 27-33-67(1), Mississippi Code of  
253 1972; and (iv) the school district's homestead reimbursement  
254 revenues.

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



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

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

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

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

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

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

289 districts in support of the adequate education program will be  
290 determined by the State Department of Education in the following  
291 manner:

292 (i) Calculation of the full funding amount under  
293 this chapter, with proportionate reductions as required by the  
294 appropriation level.

295 (ii) Calculation of the amount equal to the state  
296 funds allocated to school districts for fiscal year 2002 plus the  
297 estimated amount to fund the adequate education program salary  
298 schedule for fiscal year 2003. For purposes of this item (ii),  
299 state funds shall be those described in paragraph (b) and an  
300 amount equal to the allocation for the adequate education program  
301 in fiscal year 2002, plus any additional amount required to  
302 satisfy fiscal year 2003 pledges in accordance with paragraphs  
303 (d), (e) and (f) of subsection (5) of this section. If a school  
304 district's fiscal year 2003 pledge is different than the pledge  
305 amount for fiscal year 2002, the district shall receive an amount  
306 equal to the fiscal year 2003 pledge or the amount of funds  
307 calculated under the adequate education formula for fiscal year  
308 2002 before any pledge guarantee for fiscal year 2002, whichever  
309 is greater. If the pledge is no longer in effect, the district  
310 shall receive the amount of funds calculated under the formula for  
311 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

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

320 district would have received under full funding of the program for  
321 fiscal year 2003.

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

343 (4) If during the year for which adequate education program  
344 funds are appropriated, any school district experiences a three  
345 percent (3%) or greater increase in average daily attendance  
346 during the second and third month over the preceding year's second  
347 and third month and the school district has requested a minimum  
348 increase of four percent (4%) in local ad valorem revenues over  
349 the previous year as authorized in Sections 37-57-104 and  
350 37-57-105, an additional allocation of adequate education program  
351 funds calculated in the following manner shall be granted to that

352 district, using any additional funds available to the Department  
353 of Education that exceed the amount of funds due to the school  
354 districts under the basic adequate education program distribution  
355 as provided for in this chapter:

356 (a) Determine the percentage increase in average daily  
357 attendance for the second and third months of the year for which  
358 adequate education program funds are appropriated over the  
359 preceding year's second and third month average daily attendance.

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

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

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

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

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

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

416 minimum requirements for the approval of school district capital  
417 expenditure plans.

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

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

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

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

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

479           A district issuing State Aid Capital Improvement Bonds may  
480 pledge for the repayment of such bonds all funds received by the  
481 district from the state, in an amount not to exceed One Hundred  
482 Sixty Dollars (\$160.00) per pupil in average daily attendance in  
483 the school district as set forth above, and not otherwise  
484 permanently pledged under paragraph (d) of this subsection or  
485 under Section 37-61-33(2)(d), Mississippi Code of 1972. The  
486 district's school board shall specify by resolution the amount of  
487 state funds, which are being pledged by the district for the  
488 repayment of the State Aid Capital Improvement Bonds. Once such a  
489 pledge is made to secure the bonds, the district shall notify the  
490 department of such pledge. Upon making such a pledge, the school  
491 district may request the department which may agree to irrevocably  
492 transfer a specified amount or percentage of the district's state  
493 revenue pledged to repay the district's State Aid Capital  
494 Improvement Bonds directly to a state or federally chartered bank  
495 serving as a trustee or paying agent on such bonds for the payment  
496 of all or portion of such State Aid Capital Improvement Bonds.  
497 Such instructions shall be incorporated into a resolution by the  
498 school board for the benefit of holders of the bonds and may  
499 provide that such withholding and transfer of such other available  
500 funds shall be made only upon notification by a trustee or paying  
501 agent on such bonds that the amounts available to pay such bonds  
502 on any payment date will not be sufficient. It is the intent of  
503 this provision to allow school districts to irrevocably pledge a  
504 certain, constant stream of revenue as security for State Aid  
505 Capital Improvement Bonds issued hereunder. To allow school  
506 districts to make such an irrevocable pledge, the state shall take  
507 all action necessary to ensure that the amount of a district's  
508 state revenues up to an amount equal to One Hundred Sixty Dollars  
509 (\$160.00) per pupil as set forth above which have been pledged to



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

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

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

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

528 This paragraph (e) shall stand repealed from and after June  
529 30, 1998.

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

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

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

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

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

574 district and performing program management services for projects  
575 covered under this subsection shall be approved by the State  
576 Department of Education.

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

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

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

586 37-151-85. (1) The amount to be allotted by the State Board  
587 of Education for transportation shall be determined as follows:

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

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

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

638 from the aggregate average daily attendance of transported  
639 children in the school district in which they attend school and  
640 shall be added to the aggregate average daily attendance of  
641 transported children of the school district from which they come  
642 for the purpose of calculating transportation allotments.

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

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

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

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

669 to finance driver training courses as provided for in Section  
670 37-41-1, Mississippi Code of 1972.

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

680 **SECTION 4.** (1) There is created a commission to study the  
681 effectiveness and efficiency of the administration of college  
682 tuition assistance programs administered by the institutions of  
683 higher learning. In addition, the commission shall evaluate  
684 merit-based college tuition assistance programs and procedures and  
685 guidelines for implementing merit-based programs.

686 The commission shall make a report of its findings and  
687 recommendations to the House and Senate Education Committees by  
688 October 1, 2005, including any recommended legislation.

689 (2) The commission shall be composed of the following three  
690 (3) members:

691 (a) A representative of the State Department of  
692 Education, to be appointed by the State Superintendent of Public  
693 Education;

694 (b) A representative from the institutions of higher  
695 learning, to be appointed by the commissioner;

696 (c) A representative from the State Board for Community  
697 and Junior Colleges, to be appointed by the chairman of the board.

698 (3) Appointments shall be made within thirty (30) days after  
699 the effective date of this act. The commission shall hold its  
700 first meeting before July 15, 2005.

701 (4) Members of the commission may not be compensated for the  
702 performance of their duties. Any incidental costs associated with  
703 conducting the study shall be paid by the State Department of  
704 Education.

705 (5) To effectuate the purposes of this section, any  
706 department, division, board, bureau, commission or agency of the  
707 state or of any political subdivision thereof shall, at the  
708 request of the chairperson of the task force, provide to the  
709 commission such facilities, assistance and data as will enable the  
710 commission to properly carry out its duties.

711 **SECTION 5.** This act shall take effect and be in force from  
712 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; TO CREATE A COMMISSION TO STUDY THE EFFECTIVENESS AND  
9 EFFICIENCY OF THE ADMINISTRATION OF COLLEGE TUITION ASSISTANCE  
10 PROGRAMS ADMINISTERED BY THE INSTITUTIONS OF HIGHER LEARNING AND  
11 EVALUATE MERIT-BASED COLLEGE TUITION ASSISTANCE PROGRAMS; AND FOR  
12 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

(NOT SIGNED)  
Broomfield