

By: Senator(s) Michel, Davis, Flowers, Ross,
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To: Education;
Appropriations

SENATE BILL NO. 2578

1 AN ACT TO AMEND SECTION 37-151-7, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE FORMULA FOR COMPUTING AVERAGE DAILY ATTENDANCE OF
3 STUDENTS FOR PURPOSES OF THE ADEQUATE EDUCATION PROGRAM; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** Section 37-151-7, Mississippi Code of 1972, is
7 amended as follows:

8 37-151-7. The annual allocation to each school district for
9 the operation of the adequate education program shall be
10 determined as follows:

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

15 (a) **Determination of average daily attendance.** The
16 State Department of Education shall determine the percentage
17 change from the prior year of each year of each school districts
18 average of months two (2) and three (3) average daily attendance
19 (ADA) for the three (3) immediately preceding school years of the
20 year for which funds are being appropriated. For any school
21 district that experiences a positive growth in the average of
22 months two (2) and three (3) ADA each year of the three (3) years,
23 the average percentage growth over the three-year period shall be
24 multiplied times the school district's average of months two (2)
25 and three (3) ADA for the year immediately preceding the year for
26 which MAEP funds are being appropriated. The resulting amount
27 shall be added to the school district's average of months two (2)
28 and three (3) ADA for the year immediately preceding the year for

29 which MAEP funds are being appropriated to arrive at the ADA to be
30 used in determining a school district's MAEP allocation.
31 Otherwise months two (2) and three (3) ADA for the year
32 immediately preceding the year for which MAEP funds are being
33 appropriated will be used in determining a school district's MAEP
34 allocation. In any fiscal year prior to 2009 in which the MAEP
35 formula is not fully funded, for those districts that do not
36 demonstrate a three-year positive growth in months two (2) and
37 three (3) average ADA, months one (1) through nine (9) ADA of the
38 second preceding year for which funds are being appropriated or
39 months two (2) and three (3) ADA of the preceding year for which
40 funds are being appropriated, whichever is greater, shall be used
41 to calculate the district's MAEP allocation. The district's
42 average daily attendance shall be computed and currently
43 maintained in accordance with regulations promulgated by the State
44 Board of Education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

172 (2) **Computation of the required local revenue in support of**
173 **the adequate education program.** The amount that each district
174 shall provide toward the cost of the adequate education program
175 shall be calculated as follows:

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

187 (b) The State Board of Education shall determine (i)
188 the total assessed valuation of nonexempt property for school
189 purposes in each school district; (ii) assessed value of exempt
190 property owned by homeowners aged sixty-five (65) or older or

191 disabled as defined in Section 27-33-67(2), Mississippi Code of
192 1972; (iii) the school district's tax loss from exemptions
193 provided to applicants under the age of sixty-five (65) and not
194 disabled as defined in Section 27-33-67(1), Mississippi Code of
195 1972; and (iv) the school district's homestead reimbursement
196 revenues.

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

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

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

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

216 (b) Provided, however, that in fiscal year 1998 and in
217 the fiscal year in which the adequate education program is fully
218 funded by the Legislature, any increase in the said state
219 contribution, including the supplemental grant to school districts
220 provided under subsection (1)(g), to any district calculated under
221 this section shall be not less than eight percent (8%) in excess
222 of the amount received by said district from state funds for the
223 fiscal year immediately preceding. For purposes of this paragraph

224 (b), state funds shall include minimum program funds less the
225 add-on programs, State Uniform Millage Assistance Grant Funds,
226 Education Enhancement Funds appropriated for Uniform Millage
227 Assistance Grants and state textbook allocations, and State
228 General Funds allocated for textbooks.

229 (c) If the appropriation is less than full funding for
230 fiscal year 2003, allocations for state contributions to school
231 districts in support of the adequate education program will be
232 determined by the State Department of Education in the following
233 manner:

234 (i) Calculation of the full funding amount under
235 this chapter, with proportionate reductions as required by the
236 appropriation level.

237 (ii) Calculation of the amount equal to the state
238 funds allocated to school districts for fiscal year 2002 plus the
239 estimated amount to fund the adequate education program salary
240 schedule for fiscal year 2003. For purposes of this item (ii),
241 state funds shall be those described in paragraph (b) and an
242 amount equal to the allocation for the adequate education program
243 in fiscal year 2002, plus any additional amount required to
244 satisfy fiscal year 2003 pledges in accordance with paragraphs
245 (d), (e) and (f) of subsection (5) of this section. If a school
246 district's fiscal year 2003 pledge is different than the pledge
247 amount for fiscal year 2002, the district shall receive an amount
248 equal to the fiscal year 2003 pledge or the amount of funds
249 calculated under the adequate education formula for fiscal year
250 2002 before any pledge guarantee for fiscal year 2002, whichever
251 is greater. If the pledge is no longer in effect, the district
252 shall receive the amount of funds calculated under the formula for
253 fiscal year 2002 before any pledge guarantee for fiscal year 2002.

254 (iii) The portion of any district's allocation
255 calculated in item (i) of this paragraph which exceeds amounts as
256 calculated in item (ii) shall be reduced by an amount not to

257 exceed twenty-one percent (21%). The amount of funds generated by
258 this reduction of funds shall be redistributed proportionately
259 among those districts receiving insufficient funds to meet the
260 amount calculated in item (ii). In no case may any district
261 receive funds in an amount greater than the amount that the
262 district would have received under full funding of the program for
263 fiscal year 2003.

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

285 (4) If during the year for which adequate education program
286 funds are appropriated, any school district experiences a three
287 percent (3%) or greater increase in average daily attendance
288 during the second and third month over the preceding year's second
289 and third month and the school district has requested a minimum

290 increase of four percent (4%) in local ad valorem revenues over
291 the previous year as authorized in Sections 37-57-104 and
292 37-57-105, an additional allocation of adequate education program
293 funds calculated in the following manner shall be granted to that
294 district, using any additional funds available to the Department
295 of Education that exceed the amount of funds due to the school
296 districts under the basic adequate education program distribution
297 as provided for in this chapter:

298 (a) Determine the percentage increase in average daily
299 attendance for the second and third months of the year for which
300 adequate education program funds are appropriated over the
301 preceding year's second and third month average daily attendance.

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

309 (c) Subtract the percentage of the district's local
310 contribution arrived at in subsection (2) of this section from the
311 amount calculated in paragraph (b) of this subsection. The
312 remainder is the additional allocation in adequate education
313 program funds for that district.

314 If the funds available to the Department of Education are not
315 sufficient to fully fund the additional allocations to school
316 districts eligible for those allocations, then the department
317 shall prorate the available funds among the eligible school
318 districts, using the same percentage of the total funds that the
319 school district would have received if the allocations were fully
320 funded. The State Department of Education shall study and develop
321 a report to the Chairmen of the Senate and House Committees on
322 Education by January 1, 2005, with options for legislative

323 consideration that will insure that the Mississippi Adequate
324 Education funds are distributed to school districts based on
325 current year student attendance or enrollment.

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

327 (5) The Interim School District Capital Expenditure Fund is
328 hereby established in the State Treasury which shall be used to
329 distribute any funds specifically appropriated by the Legislature
330 to such fund to school districts entitled to increased allocations
331 of state funds under the adequate education program funding
332 formula prescribed in Sections 37-151-3 through 37-151-7,
333 Mississippi Code of 1972, until such time as the said adequate
334 education program is fully funded by the Legislature. The
335 following percentages of the total state cost of increased
336 allocations of funds under the adequate education program funding
337 formula shall be appropriated by the Legislature into the Interim
338 School District Capital Expenditure Fund to be distributed to all
339 school districts under the formula: Nine and two-tenths percent
340 (9.2%) shall be appropriated in fiscal year 1998, twenty percent
341 (20%) shall be appropriated in fiscal year 1999, forty percent
342 (40%) shall be appropriated in fiscal year 2000, sixty percent
343 (60%) shall be appropriated in fiscal year 2001, eighty percent
344 (80%) shall be appropriated in fiscal year 2002, and one hundred
345 percent (100%) shall be appropriated in fiscal year 2003 into the
346 State Adequate Education Program Fund created in subsection (4).
347 Until July 1, 2002, such money shall be used by school districts
348 for the following purposes:

349 (a) Purchasing, erecting, repairing, equipping,
350 remodeling and enlarging school buildings and related facilities,
351 including gymnasiums, auditoriums, lunchrooms, vocational training
352 buildings, libraries, school barns and garages for transportation
353 vehicles, school athletic fields and necessary facilities
354 connected therewith, and purchasing land therefor. Any such
355 capital improvement project by a school district shall be approved

356 by the State Board of Education, and based on an approved
357 long-range plan. The State Board of Education shall promulgate
358 minimum requirements for the approval of school district capital
359 expenditure plans.

360 (b) Providing necessary water, light, heating, air
361 conditioning, and sewerage facilities for school buildings, and
362 purchasing land therefor.

363 (c) Paying debt service on existing capital improvement
364 debt of the district or refinancing outstanding debt of a district
365 if such refinancing will result in an interest cost savings to the
366 district.

367 (d) From and after October 1, 1997, through June 30,
368 1998, pursuant to a school district capital expenditure plan
369 approved by the State Department of Education, a school district
370 may pledge such funds until July 1, 2002, plus funds provided for
371 in paragraph (e) of this subsection (5) that are not otherwise
372 permanently pledged under such paragraph (e) to pay all or a
373 portion of the debt service on debt issued by the school district
374 under Sections 37-59-1 through 37-59-45, 37-59-101 through
375 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,
376 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt
377 issued by boards of supervisors for agricultural high schools
378 pursuant to Section 37-27-65, Mississippi Code of 1972, or
379 lease-purchase contracts entered into pursuant to Section 31-7-13,
380 Mississippi Code of 1972, or to retire or refinance outstanding
381 debt of a district, if such pledge is accomplished pursuant to a
382 written contract or resolution approved and spread upon the
383 minutes of an official meeting of the district's school board or
384 board of supervisors. It is the intent of this provision to allow
385 school districts to irrevocably pledge their Interim School
386 District Capital Expenditure Fund allotments as a constant stream
387 of revenue to secure a debt issued under the foregoing code
388 sections. To allow school districts to make such an irrevocable

389 pledge, the state shall take all action necessary to ensure that
390 the amount of a district's Interim School District Capital
391 Expenditure Fund allotments shall not be reduced below the amount
392 certified by the department or the district's total allotment
393 under the Interim Capital Expenditure Fund if fully funded, so
394 long as such debt remains outstanding.

395 (e) From and after October 1, 1997, through June 30,
396 1998, in addition to any other authority a school district may
397 have, any school district may issue State Aid Capital Improvement
398 Bonds secured in whole by a continuing annual pledge of any
399 Mississippi Adequate Education Program funds available to the
400 district, in an amount not to exceed One Hundred Sixty Dollars
401 (\$160.00) per pupil based on the latest completed average daily
402 attendance count certified by the department prior to the issuance
403 of the bonds. Such State Aid Capital Improvement Bonds may be
404 issued for the purposes enumerated in paragraphs (a), (b), (c) and
405 (g) of this section. Prior to issuing such bonds, the school
406 board of the district shall adopt a resolution declaring the
407 necessity for and its intention of issuing such bonds and
408 borrowing such money, specifying the approximate amount to be so
409 borrowed, how such money is to be used and how such indebtedness
410 is to be evidenced. Any capital improvement project financed with
411 State Aid Capital Improvement Bonds shall be approved by the
412 department, and based on an approved long-range plan. The State
413 Board of Education shall promulgate minimum requirements for the
414 approval of such school district capital expenditure plans. The
415 State Board of Education shall not approve any capital expenditure
416 plan for a pledge of funds under this paragraph unless it
417 determines (i) that the quality of instruction in such district
418 will not be reduced as a result of this pledge, and (ii) the
419 district has other revenue available to attain and maintain at
420 least Level III accreditation.

421 A district issuing State Aid Capital Improvement Bonds may
422 pledge for the repayment of such bonds all funds received by the
423 district from the state, in an amount not to exceed One Hundred
424 Sixty Dollars (\$160.00) per pupil in average daily attendance in
425 the school district as set forth above, and not otherwise
426 permanently pledged under paragraph (d) of this subsection or
427 under Section 37-61-33(2)(d), Mississippi Code of 1972. The
428 district's school board shall specify by resolution the amount of
429 state funds, which are being pledged by the district for the
430 repayment of the State Aid Capital Improvement Bonds. Once such a
431 pledge is made to secure the bonds, the district shall notify the
432 department of such pledge. Upon making such a pledge, the school
433 district may request the department which may agree to irrevocably
434 transfer a specified amount or percentage of the district's state
435 revenue pledged to repay the district's State Aid Capital
436 Improvement Bonds directly to a state or federally chartered bank
437 serving as a trustee or paying agent on such bonds for the payment
438 of all or portion of such State Aid Capital Improvement Bonds.
439 Such instructions shall be incorporated into a resolution by the
440 school board for the benefit of holders of the bonds and may
441 provide that such withholding and transfer of such other available
442 funds shall be made only upon notification by a trustee or paying
443 agent on such bonds that the amounts available to pay such bonds
444 on any payment date will not be sufficient. It is the intent of
445 this provision to allow school districts to irrevocably pledge a
446 certain, constant stream of revenue as security for State Aid
447 Capital Improvement Bonds issued hereunder. To allow school
448 districts to make such an irrevocable pledge, the state shall take
449 all action necessary to ensure that the amount of a district's
450 state revenues up to an amount equal to One Hundred Sixty Dollars
451 (\$160.00) per pupil as set forth above which have been pledged to
452 repay debt, as set forth herein, shall not be reduced so long as
453 any State Aid Capital Improvement Bonds are outstanding.

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

461 The provisions of this subsection shall be cumulative and
462 supplemental to any existing funding programs or other authority
463 conferred upon school districts or school boards. Debt of a
464 school district secured in whole by a pledge of revenue pursuant
465 to this section shall not be subject to any debt limitation.

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

470 This paragraph (e) shall stand repealed from and after June
471 30, 1998.

472 (f) As an alternative to the authority granted under
473 paragraph (e), a school district, in its discretion, may authorize
474 the State Board of Education to withhold an amount of the
475 district's adequate education program allotment equal to up to One
476 Hundred Sixty Dollars (\$160.00) per student in average daily
477 attendance in the district to be allocated to the State Public
478 School Building Fund to the credit of such school district. A
479 school district may choose the option provided under this
480 paragraph (e) or paragraph (f), but not both. In addition to the
481 grants made by the state pursuant to Section 37-47-9, a school
482 district shall be entitled to grants based on the allotments to
483 the State Public School Building Fund credited to such school
484 district under this paragraph. This paragraph (f) shall stand
485 repealed from and after June 30, 1998.

486 (g) The State Board of Education may authorize the
487 school district to expend not more than twenty percent (20%) of
488 its annual allotment of such funds or Twenty Thousand Dollars
489 (\$20,000.00), whichever is greater, for technology needs of the
490 school district, including computers, software,
491 telecommunications, cable television, interactive video, film,
492 low-power television, satellite communications, microwave
493 communications, technology-based equipment installation and
494 maintenance, and the training of staff in the use of such
495 technology-based instruction. Any such technology expenditure
496 shall be reflected in the local district technology plan approved
497 by the State Board of Education under Section 37-151-17,
498 Mississippi Code of 1972.

499 (h) To the extent a school district has not utilized
500 twenty percent (20%) of its annual allotment for technology
501 purposes under paragraph (g), a school district may expend not
502 more than twenty percent (20%) of its annual allotment or Twenty
503 Thousand Dollars (\$20,000.00), whichever is greater, for
504 instructional purposes. The State Board of Education may
505 authorize a school district to expend more than said twenty
506 percent (20%) of its annual allotment for instructional purposes
507 if it determines that such expenditures are needed for
508 accreditation purposes.

509 (i) The State Department of Education or the State
510 Board of Education may require that any project commenced under
511 this section with an estimated project cost of not less than Five
512 Million Dollars (\$5,000,000.00) shall be done only pursuant to
513 program management of the process with respect to design and
514 construction. Any individuals, partnerships, companies or other
515 entities acting as a program manager on behalf of a local school
516 district and performing program management services for projects
517 covered under this subsection shall be approved by the State
518 Department of Education.

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

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

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