

By: Senator(s) Chaney

To: Education; Finance

SENATE BILL NO. 2347

1 AN ACT TO AMEND SECTIONS 37-57-1 AND 37-57-104, MISSISSIPPI  
2 CODE OF 1972, TO INCREASE THE REQUIRED LOCAL REVENUE TO SUPPORT  
3 THE MISSISSIPPI ADEQUATE EDUCATION PROGRAM, AND TO INCREASE THE  
4 CAP ON THE MILLAGE RATE OF SCHOOL AD VALOREM TAXES FOR THE SUPPORT  
5 OF LOCAL SCHOOL DISTRICTS; TO AMEND SECTION 37-151-7, MISSISSIPPI  
6 CODE OF 1972, IN CONFORMITY; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 37-57-1, Mississippi Code of 1972, is  
9 amended as follows:

10 37-57-1. (1) (a) The boards of supervisors of the counties  
11 shall levy and collect all taxes for and on behalf of all school  
12 districts which were within the county school system or designated  
13 as special municipal separate school districts prior to July 1,  
14 1986. Such taxes shall be collected by the county tax collector  
15 at the same time and in the same manner as county taxes are  
16 collected by him, and the same penalties for delinquency shall be  
17 applicable.

18 The governing authorities of the municipalities shall levy  
19 and collect all taxes for and on behalf of all school districts  
20 which were designated as municipal separate school districts prior  
21 to July 1, 1986. Such taxes shall be collected by the municipal  
22 tax collector at the same time and in the same manner as municipal  
23 taxes are collected by him, and the same penalties for delinquency  
24 shall be applicable.

25 The county or municipal tax collector, as the case may be,  
26 shall pay such tax collections, except for taxes collected for the  
27 payment of the principal of and interest on school bonds or notes  
28 and except for taxes collected to defray collection costs, into  
29 the school depository and report to the school board of the

30 appropriate school district at the same time and in the same  
31 manner as the tax collector makes his payments and reports of  
32 other taxes collected by him.

33         Provided, however, the State Board of Education shall  
34 determine the appropriate levying authority for any school  
35 district created or reorganized after July 1, 1987.

36             (b) For the purposes of this chapter and any other laws  
37 pertaining to taxes levied or bonds or notes issued for and on  
38 behalf of school districts, the term "levying authority" means the  
39 board of supervisors of the county or the governing authorities of  
40 the municipality, whichever levies taxes for and on behalf of the  
41 particular school district as provided in paragraphs (a) and (b)  
42 of this subsection.

43             (2) The levying authority for the school district shall, at  
44 the same time and in the same manner as other taxes are levied by  
45 the levying authority, levy a tax of not less than thirty (30)  
46 mills for the then current fiscal year, less the estimated amount  
47 of the yield of the School Ad Valorem Tax Reduction Fund grant to  
48 the school district as determined by the State Department of  
49 Education or twenty-seven percent (27%) of the basic adequate  
50 education program cost for such school district, whichever is a  
51 greater amount, upon all of the taxable property of the school  
52 district, as required under Section 37-151-7(2)(a). However, in  
53 no case shall the minimum local ad valorem tax effort for any  
54 school district be equal to an amount that would require a millage  
55 rate exceeding sixty (60) mills in that school district.

56 Provided, however, that if a levying authority is levying in  
57 excess of sixty (60) mills on July 1, 2007, the levying authority  
58 may levy an additional amount not exceeding three (3) mills in the  
59 aggregate for the period beginning July 1, 2007, and ending June  
60 30, 2013, subject to the limitation on increased receipts from ad  
61 valorem taxes prescribed in Sections 37-57-105 and 37-57-107.  
62 Nothing in this subsection shall be construed to require any

63 school district that is levying more than sixty (60) mills  
64 pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage  
65 rate to sixty (60) mills or less. In making such levy, the  
66 levying authority shall levy an additional amount sufficient to  
67 cover anticipated delinquencies and costs of collection so that  
68 the net amount of money to be produced by such levy shall be equal  
69 to the amount which the school district is required to contribute  
70 as its said minimum local ad valorem tax effort. The tax so  
71 levied shall be collected by the tax collector at the same time  
72 and in the same manner as other ad valorem taxes are collected by  
73 him. The amount of taxes so collected as a result of such levy  
74 shall be paid into the district maintenance fund of the school  
75 district by the tax collector at the same time and in the same  
76 manner as reports and payments of other ad valorem taxes are made  
77 by said tax collector, except that the amount collected to defray  
78 costs of collection may be paid into the county general fund. The  
79 levying authority shall have the power and authority to direct and  
80 cause warrants to be issued against such fund for the purpose of  
81 refunding any amount of taxes erroneously or illegally paid into  
82 such fund where such refund has been approved in the manner  
83 provided by law.

84 **SECTION 2.** Section 37-57-104, Mississippi Code of 1972, is  
85 amended as follows:

86 37-57-104. (1) Each school board shall submit to the  
87 levying authority for the school district a certified copy of an  
88 order adopted by the school board requesting an ad valorem tax  
89 effort in dollars for the support of the school district. The  
90 copy of the order shall be submitted by the school board when the  
91 copies of the school district's budget are filed with the levying  
92 authority pursuant to Section 37-61-9. Upon receipt of the school  
93 board's order requesting the ad valorem tax effort in dollars, the  
94 levying authority shall determine the millage rate necessary to  
95 generate funds equal to the dollar amount requested by the school

96 board. For the purpose of calculating this millage rate, any  
97 additional amount that is levied pursuant to Section 37-57-105(1)  
98 to cover anticipated delinquencies and costs of collection or any  
99 amount that may be levied for the payment of the principal and  
100 interest on school bonds or notes shall be excluded from the  
101 limitation of sixty (60) mills provided for in subsection (2) of  
102 this section.

103 (2) (a) Except as otherwise provided under paragraph (b) or  
104 (c) of this subsection, if the millage rate necessary to generate  
105 funds equal to the dollar amount requested by the school board is  
106 greater than sixty (60) mills, and if this millage rate is higher  
107 than the millage then being levied pursuant to the school board's  
108 order requesting the ad valorem tax effort for the currently  
109 existing fiscal year, then the levying authority shall call a  
110 referendum on the question of exceeding, during the next fiscal  
111 year, the then existing millage rate being levied for school  
112 district purposes. The referendum shall be scheduled for not more  
113 than six (6) weeks after the date on which the levying authority  
114 receives the school board's order requesting the ad valorem tax  
115 effort.

116 When a referendum has been called, notice of the referendum  
117 shall be published at least five (5) days per week, unless the  
118 only newspaper published in the school district is published less  
119 than five (5) days per week, for at least three (3) consecutive  
120 weeks, in at least one (1) newspaper published in the school  
121 district. The notice shall be no less than one-fourth (1/4) page  
122 in size, and the type used shall be no smaller than eighteen (18)  
123 point and surrounded by a one-fourth-inch solid black border. The  
124 notice may not be placed in that portion of the newspaper where  
125 legal notices and classified advertisements appear. The first  
126 publication of the notice shall be made not less than twenty-one  
127 (21) days before the date fixed for the referendum, and the last  
128 publication shall be made not more than seven (7) days before that

129 date. If no newspaper is published in the school district, then  
130 the notice shall be published in a newspaper having a general  
131 circulation in the school district. The referendum shall be held,  
132 as far as is practicable, in the same manner as other referendums  
133 and elections are held in the county or municipality. At the  
134 referendum, all registered, qualified electors of the school  
135 district may vote. The ballots used at the referendum shall have  
136 printed thereon a brief statement of the amount and purpose of the  
137 increased tax levy and the words "FOR INCREASING THE MILLAGE  
138 LEVIED FOR SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY  
139 LEVIED) MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S  
140 ORDER) MILLS," and "AGAINST INCREASING THE MILLAGE LEVIED FOR  
141 SCHOOL DISTRICT PURPOSES FROM (MILLAGE RATE CURRENTLY LEVIED)  
142 MILLS TO (MILLAGE RATE REQUIRED UNDER SCHOOL BOARD'S ORDER)  
143 MILLS." The voter shall vote by placing a cross (X) or checkmark  
144 (✓) opposite his choice on the proposition.

145 If a majority of the registered, qualified electors of the  
146 school district who vote in the referendum vote in favor of the  
147 question, then the ad valorem tax effort in dollars requested by  
148 the school board shall be approved. However, if a majority of the  
149 registered, qualified electors who vote in the referendum vote  
150 against the question, the millage rate levied by the levying  
151 authority shall not exceed the millage then being levied pursuant  
152 to the school board's order requesting the ad valorem tax effort  
153 for the then currently existing fiscal year.

154 Nothing in this subsection shall be construed to require any  
155 school district that is levying more than sixty (60) mills  
156 pursuant to Sections 37-57-1 and 37-57-105 to decrease its millage  
157 rate to sixty (60) mills or less. Further, nothing in this  
158 subsection shall be construed to require a referendum in a school  
159 district where the requested ad valorem tax effort in dollars  
160 requires a millage rate of greater than sixty (60) mills but the  
161 requested dollar amount does not require any increase in the then

162 existing millage rate. Further, nothing in this subsection shall  
163 be construed to require a referendum in a school district where,  
164 because of a decrease in the assessed valuation of the district, a  
165 millage rate of greater than sixty (60) mills is necessary to  
166 generate funds equal to the dollar amount generated by the ad  
167 valorem tax effort for the currently existing fiscal year.

168 (b) Provided, however, that if a levying authority is  
169 levying in excess of sixty (60) mills on July 1, 2007, the levying  
170 authority may levy an additional amount not exceeding three (3)  
171 mills in the aggregate for the period beginning July 1, 2007, and  
172 ending June 30, 2013, subject to the limitation on increased  
173 receipts from ad valorem taxes prescribed in Sections 37-57-105  
174 and 37-57-107.

175 (c) If the levying authority for any school district  
176 lawfully has decreased the millage levied for school district  
177 purposes, but subsequently determines that there is a need to  
178 increase the millage rate due to a disaster in which the Governor  
179 has declared a disaster emergency or the President of the United  
180 States has declared an emergency or major disaster, then the  
181 levying authority may increase the millage levied for school  
182 district purposes up to an amount that does not exceed the millage  
183 rate in any one (1) of the immediately preceding ten (10) fiscal  
184 years without any referendum that otherwise would be required  
185 under this subsection.

186 (3) If the millage rate necessary to generate funds equal to  
187 the dollar amount requested by the school board is equal to sixty  
188 (60) mills or less, but the dollar amount requested by the school  
189 board exceeds the next preceding fiscal year's ad valorem tax  
190 effort in dollars by more than four percent (4%), but not more  
191 than seven percent (7%) (as provided for under subsection (4) of  
192 this section), then the school board shall publish notice thereof  
193 at least five (5) days per week, unless the only newspaper  
194 published in the school district is published less than five (5)

195 days per week, for at least three (3) consecutive weeks in a  
196 newspaper published in the school district. The notice shall be  
197 no less than one-fourth (1/4) page in size, and the type used  
198 shall be no smaller than eighteen (18) point and surrounded by a  
199 one-fourth-inch solid black border. The notice may not be placed  
200 in that portion of the newspaper where legal notices and  
201 classified advertisements appear. The first publication shall be  
202 made not less than fifteen (15) days before the final adoption of  
203 the budget by the school board. If no newspaper is published in  
204 the school district, then the notice shall be published in a  
205 newspaper having a general circulation in the school district. If  
206 at any time before the adoption of the budget a petition signed by  
207 not less than twenty percent (20%) or fifteen hundred (1500),  
208 whichever is less, of the registered, qualified electors of the  
209 school district is filed with the school board requesting that a  
210 referendum be called on the question of exceeding the next  
211 preceding fiscal year's ad valorem tax effort in dollars by more  
212 than four percent (4%), then the school board shall adopt, not  
213 later than the next regular meeting, a resolution calling a  
214 referendum to be held within the school district upon the  
215 question. The referendum shall be called and held, and notice  
216 thereof shall be given, in the same manner provided for in  
217 subsection (2) of this section. The ballot shall contain the  
218 language "FOR THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)" and  
219 "AGAINST THE SCHOOL TAX INCREASE OVER FOUR PERCENT (4%)." If a  
220 majority of the registered, qualified electors of the school  
221 district who vote in the referendum vote in favor of the question,  
222 then the increase requested by the school board shall be approved.  
223 For the purposes of this subsection, the revenue sources excluded  
224 from the increase limitation under Section 37-57-107 also shall be  
225 excluded from the limitation described in this subsection in the  
226 same manner as they are excluded under Section 37-57-107.  
227 Provided, however, that any increases requested by the school

228 board as a result of the required local contribution to the  
229 Mississippi Adequate Education Program, as certified to the local  
230 school district by the State Board of Education under Section  
231 37-151-7(2), Mississippi Code of 1972, shall not be subject to the  
232 four percent (4%) and/or seven percent (7%) tax increase  
233 limitations provided in this section.

234 (4) If the millage rate necessary to generate funds equal to  
235 the dollar amount requested by the school board is equal to sixty  
236 (60) mills or less, but the dollar amount requested by the school  
237 board exceeds the seven percent (7%) increase limitation provided  
238 for in Section 37-57-107, the school board may exceed the seven  
239 percent (7%) increase limitation only after the school board has  
240 determined the need for additional revenues and three-fifths (3/5)  
241 of the registered, qualified electors voting in a referendum  
242 called by the levying authority have voted in favor of the  
243 increase. The notice and manner of holding the referendum shall  
244 be as prescribed in subsection (2) of this section for a  
245 referendum on the question of increasing the millage rate in  
246 school districts levying more than sixty (60) mills for school  
247 district purposes.

248 (5) The aggregate receipts from ad valorem taxes levied for  
249 school district purposes pursuant to Sections 37-57-1 and  
250 37-57-105, excluding collection fees, additional revenue from the  
251 ad valorem tax on any newly constructed properties or any existing  
252 properties added to the tax rolls or any properties previously  
253 exempt which were not assessed in the next preceding year, and  
254 amounts received by school districts from the School Ad Valorem  
255 Tax Reduction Fund pursuant to Section 37-61-35, shall be subject  
256 to the increase limitation under this section and Section  
257 37-57-107.

258 (6) The school board shall pay to the levying authority all  
259 costs that are incurred by the levying authority in the calling  
260 and holding of any election under this section.



261 (7) The provisions of this section shall not be construed to  
262 affect in any manner the authority of school boards to levy  
263 millage for the following purposes:

264 (a) The issuance of bonds, notes and certificates of  
265 indebtedness, as authorized in Sections 37-59-1 through 37-59-45  
266 and Sections 37-59-101 through 37-59-115;

267 (b) The lease of property for school purposes, as  
268 authorized under the Emergency School Leasing Authority Act of  
269 1986 (Sections 37-7-351 through 37-7-359);

270 (c) The lease or lease-purchase of school buildings, as  
271 authorized under Section 37-7-301;

272 (d) The issuance of promissory notes in the event of a  
273 shortfall of ad valorem taxes and/or revenue from local sources,  
274 as authorized under Section 27-39-333; and

275 (e) The construction of school buildings outside the  
276 school district, as authorized under Section 37-7-401.

277 Any millage levied for the purposes specified in this  
278 subsection shall be excluded from the millage limitations  
279 established under this section.

280 **SECTION 3.** Section 37-151-7, Mississippi Code of 1972, is  
281 amended as follows:

282 37-151-7. The annual allocation to each school district for  
283 the operation of the adequate education program shall be  
284 determined as follows:

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

289 (a) **Determination of average daily attendance.**  
290 Effective with fiscal year 2011, the State Department of Education  
291 shall determine the percentage change from the prior year of each  
292 year of each school district's average of months two (2) and three  
293 (3) average daily attendance (ADA) for the three (3) immediately

294 preceding school years of the year for which funds are being  
295 appropriated. For any school district that experiences a positive  
296 growth in the average of months two (2) and three (3) ADA each  
297 year of the three (3) years, the average percentage growth over  
298 the three-year period shall be multiplied times the school  
299 district's average of months two (2) and three (3) ADA for the  
300 year immediately preceding the year for which MAEP funds are being  
301 appropriated. The resulting amount shall be added to the school  
302 district's average of months two (2) and three (3) ADA for the  
303 year immediately preceding the year for which MAEP funds are being  
304 appropriated to arrive at the ADA to be used in determining a  
305 school district's MAEP allocation. Otherwise, months two (2) and  
306 three (3) ADA for the year immediately preceding the year for  
307 which MAEP funds are being appropriated will be used in  
308 determining a school district's MAEP allocation. In any fiscal  
309 year prior to 2010 in which the MAEP formula is not fully funded,  
310 for those districts that do not demonstrate a three-year positive  
311 growth in months two (2) and three (3) ADA, months one (1) through  
312 nine (9) ADA of the second preceding year for which funds are  
313 being appropriated or months two (2) and three (3) ADA of the  
314 preceding year for which funds are being appropriated, whichever  
315 is greater, shall be used to calculate the district's MAEP  
316 allocation. The district's average daily attendance shall be  
317 computed and currently maintained in accordance with regulations  
318 promulgated by the State Board of Education.

319 (b) **Determination of base student cost.** Effective with  
320 fiscal year 2011 and every fourth fiscal year thereafter, the  
321 State Board of Education, on or before August 1, with adjusted  
322 estimate no later than January 2, shall submit to the Legislative  
323 Budget Office and the Governor a proposed base student cost  
324 adequate to provide the following cost components of educating a  
325 pupil in a successful school district: (i) Instructional Cost;  
326 (ii) Administrative Cost; (iii) Operation and Maintenance of

327 Plant; and (iv) Ancillary Support Cost. For purposes of these  
328 calculations, the Department of Education shall utilize financial  
329 data from the second preceding year of the year for which funds  
330 are being appropriated.

331 For the instructional cost component, the Department of  
332 Education shall select districts that have been identified as  
333 instructionally successful and have a ratio of a number of  
334 teachers per one thousand (1,000) students that is between one (1)  
335 standard deviation above the mean and two (2) standard deviations  
336 below the mean of the statewide average of teachers per one  
337 thousand (1,000) students. The instructional cost component shall  
338 be calculated by dividing the latest available months one (1)  
339 through nine (9) ADA into the instructional expenditures of these  
340 selected districts. For the purpose of this calculation, the  
341 Department of Education shall use the following funds, functions  
342 and objects:

343 Fund 1120 Functions 1110-1199 Objects 100-999, Functions  
344 1210, 1220, 2150-2159 Objects 210 and 215;

345 Fund 1130 All Functions, Object Code 210 and 215;

346 Fund 2001 Functions 1110-1199 Objects 100-999;

347 Fund 2070 Functions 1110-1199 Objects 100-999;

348 Fund 2420 Functions 1110-1199 Objects 100-999;

349 Fund 2711 All Functions, Object Code 210 and 215.

350 Prior to the calculation of the instructional cost component,  
351 there shall be subtracted from the above expenditures any revenue  
352 received for Chickasaw Cession payments, Master Teacher  
353 Certification payments and the district's portion of state revenue  
354 received from the MAEP at-risk allocation.

355 For the administrative cost component, the Department of  
356 Education shall select districts that have been identified as  
357 instructionally successful and have a ratio of an administrative  
358 staff to nonadministrative staff between one (1) standard  
359 deviation above the mean and two (2) standard deviations below the

360 mean of the statewide average administrative staff to  
361 nonadministrative staff. The administrative cost component shall  
362 be calculated by dividing the latest available months one (1)  
363 through nine (9) ADA of the selected districts into the  
364 administrative expenditures of these selected districts. For the  
365 purpose of this calculation, the Department of Education shall use  
366 the following funds, functions and objects:

367 Fund 1120 Functions 2300-2599, Functions 2800-2899,  
368 Objects 100-999;

369 Fund 2711 Functions 2300-2599, Functions 2800-2899,  
370 Objects 100-999.

371 For the plant and maintenance cost component, the Department  
372 of Education shall select districts that have been identified as  
373 instructionally successful and have a ratio of plant and  
374 maintenance expenditures per one hundred thousand (100,000) square  
375 feet of building space and a ratio of maintenance workers per one  
376 hundred thousand (100,000) square feet of building space that are  
377 both between one (1) standard deviation above the mean and two (2)  
378 standard deviations below the mean of the statewide average. The  
379 plant and maintenance cost component shall be calculated by  
380 dividing the latest available months one (1) through nine (9) ADA  
381 of the selected districts into the plant and maintenance  
382 expenditures of these selected districts. For the purpose of this  
383 calculation, the Department of Education shall use the following  
384 funds, functions and objects:

385 Fund 1120 Functions 2600-2699, Objects 100-699  
386 and Objects 800-999;

387 Fund 2711 Functions 2600-2699, Objects 100-699  
388 and Objects 800-999;

389 Fund 2430 Functions 2600-2699, Objects 100-699  
390 and Objects 800-999.

391 For the ancillary support cost component, the Department of  
392 Education shall select districts that have been identified as

393 instructionally successful and have a ratio of a number of  
394 librarians, media specialists, guidance counselors and  
395 psychologists per one thousand (1,000) students that is between  
396 one (1) standard deviation above the mean and two (2) standard  
397 deviations below the mean of the statewide average of librarians,  
398 media specialists, guidance counselors and psychologists per one  
399 thousand (1,000) students. The ancillary cost component shall be  
400 calculated by dividing the latest available months one (1) through  
401 nine (9) ADA into the ancillary expenditures instructional  
402 expenditures of these selected districts. For the purpose of this  
403 calculation, the Department of Education shall use the following  
404 funds, functions and objects:

405 Fund 1120 Functions 2110-2129, Objects 100-999;

406 Fund 1120 Functions 2140-2149, Objects 100-999;

407 Fund 1120 Functions 2220-2229, Objects 100-999;

408 Fund 2001 Functions 2100-2129, Objects 100-999;

409 Fund 2001 Functions 2140-2149, Objects 100-999;

410 Fund 2001 Functions 2220-2229, Objects 100-999.

411 The total base cost for each year shall be the sum of the  
412 instructional cost component, administrative cost component, plant  
413 and maintenance cost component and ancillary support cost  
414 component, and any estimated adjustments for additional state  
415 requirements as determined by the State Board of Education.

416 Provided, however, that the base student cost in fiscal year 1998  
417 shall be Two Thousand Six Hundred Sixty-four Dollars (\$2,664.00).

418 For each of the fiscal years between the recalculation of the  
419 base student cost under the provisions of this paragraph (b), the  
420 base student cost shall be increased by an amount equal to forty  
421 percent (40%) of the base student cost for the previous fiscal  
422 year, multiplied by the latest annual rate of inflation for the  
423 State of Mississippi as determined by the State Economist, plus  
424 any adjustments for additional state requirements such as, but not

425 limited to, teacher pay raises and health insurance premium  
426 increases.

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

431           Multiply the average daily attendance of the district by the  
432 base student cost as established by the Legislature, which yields  
433 the total base program cost for each school district.

434           (d) **Adjustment to the base student cost for at-risk**  
435 **pupils.** The amount to be included for at-risk pupil programs for  
436 each school district shall be computed as follows: Multiply the  
437 base student cost for the appropriate fiscal year as determined  
438 under paragraph (b) by five percent (5%), and multiply that  
439 product by the number of pupils participating in the federal free  
440 school lunch program in such school district, which yields the  
441 total adjustment for at-risk pupil programs for such school  
442 district.

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

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

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

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

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

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

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

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

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

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

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

478 The total Mississippi Adequate Education Program cost shall be the  
479 sum of the total basic adequate education program cost (paragraph  
480 (c)), and the adjustment to the base student cost for at-risk  
481 pupils (paragraph (d)) for each school district. In any year in  
482 which the MAEP is not fully funded, the Legislature shall direct  
483 the Department of Education in the K-12 appropriation bill as to  
484 how to allocate MAEP funds to school districts for that year.

485 (g) The State Auditor shall annually verify the State  
486 Board of Education's estimated calculations for the Mississippi  
487 Adequate Education Program that are submitted each year to the

488 Legislative Budget Office on August 1 and the final calculation  
489 that is submitted on January 2.

490 (2) **Computation of the required local revenue in support of**  
491 **the adequate education program.** The amount that each district  
492 shall provide toward the cost of the adequate education program  
493 shall be calculated as follows:

494 (a) The State Department of Education shall certify to  
495 each school district that thirty (30) mills, less the estimated  
496 amount of the yield of the School Ad Valorem Tax Reduction Fund  
497 grants as determined by the State Department of Education, is the  
498 millage rate required to provide the district required local  
499 effort for that year, or twenty-seven percent (27%) of the basic  
500 adequate education program cost for such school district as  
501 determined under paragraph (c), whichever is a greater amount. In  
502 the case of an agricultural high school, the millage requirement  
503 shall be set at a level which generates an equitable amount per  
504 pupil to be determined by the State Board of Education.

505 (b) The State Department of Education shall determine  
506 (i) the total assessed valuation of nonexempt property for school  
507 purposes in each school district; (ii) assessed value of exempt  
508 property owned by homeowners aged sixty-five (65) or older or  
509 disabled as defined in Section 27-33-67(2), Mississippi Code of  
510 1972; (iii) the school district's tax loss from exemptions  
511 provided to applicants under the age of sixty-five (65) and not  
512 disabled as defined in Section 27-33-67(1), Mississippi Code of  
513 1972; and (iv) the school district's homestead reimbursement  
514 revenues.

515 (c) The amount of the total adequate education program  
516 funding which shall be contributed by each school district shall  
517 be the sum of the ad valorem receipts generated by the millage  
518 required under this subsection plus the following local revenue  
519 sources for the appropriate fiscal year which are or may be  
520 available for current expenditure by the school district:



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

523 One hundred percent (100%) of any fees in lieu of taxes as  
524 prescribed in Section 27-31-104.

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

527 (a) The required state effort in support of the  
528 adequate education program shall be determined by subtracting the  
529 sum of the required local tax effort as set forth in subsection  
530 (2)(a) of this section and the other local revenue sources as set  
531 forth in subsection (2)(c) of this section in an amount not to  
532 exceed twenty-seven percent (27%) of the total projected adequate  
533 education program cost as set forth in subsection (1)(f) of this  
534 section from the total projected adequate education program cost  
535 as set forth in subsection (1)(f) of this section.

536 (b) Provided, however, that in fiscal year 1998 and in  
537 the fiscal year in which the adequate education program is fully  
538 funded by the Legislature, any increase in the said state  
539 contribution to any district calculated under this section shall  
540 be not less than eight percent (8%) in excess of the amount  
541 received by said district from state funds for the fiscal year  
542 immediately preceding. For purposes of this paragraph (b), state  
543 funds shall include minimum program funds less the add-on  
544 programs, State Uniform Millage Assistance Grant Funds, Education  
545 Enhancement Funds appropriated for Uniform Millage Assistance  
546 Grants and state textbook allocations, and State General Funds  
547 allocated for textbooks.

548 (c) If the school board of any school district shall  
549 determine that it is not economically feasible or practicable to  
550 operate any school within the district for the full one hundred  
551 eighty (180) days required for a school term of a scholastic year  
552 as required in Section 37-13-63, Mississippi Code of 1972, due to  
553 an enemy attack, a man-made, technological or natural disaster in

554 which the Governor has declared a disaster emergency under the  
555 laws of this state or the President of the United States has  
556 declared an emergency or major disaster to exist in this state,  
557 said school board may notify the State Department of Education of  
558 such disaster and submit a plan for altering the school term. If  
559 the State Board of Education finds such disaster to be the cause  
560 of the school not operating for the contemplated school term and  
561 that such school was in a school district covered by the  
562 Governor's or President's disaster declaration, it may permit said  
563 school board to operate the schools in its district for less than  
564 one hundred eighty (180) days and, in such case, the State  
565 Department of Education shall not reduce the state contributions  
566 to the adequate education program allotment for such district,  
567 because of the failure to operate said schools for one hundred  
568 eighty (180) days.

569 (4) The Interim School District Capital Expenditure Fund is  
570 hereby established in the State Treasury which shall be used to  
571 distribute any funds specifically appropriated by the Legislature  
572 to such fund to school districts entitled to increased allocations  
573 of state funds under the adequate education program funding  
574 formula prescribed in Sections 37-151-3 through 37-151-7,  
575 Mississippi Code of 1972, until such time as the said adequate  
576 education program is fully funded by the Legislature. The  
577 following percentages of the total state cost of increased  
578 allocations of funds under the adequate education program funding  
579 formula shall be appropriated by the Legislature into the Interim  
580 School District Capital Expenditure Fund to be distributed to all  
581 school districts under the formula: Nine and two-tenths percent  
582 (9.2%) shall be appropriated in fiscal year 1998, twenty percent  
583 (20%) shall be appropriated in fiscal year 1999, forty percent  
584 (40%) shall be appropriated in fiscal year 2000, sixty percent  
585 (60%) shall be appropriated in fiscal year 2001, eighty percent  
586 (80%) shall be appropriated in fiscal year 2002, and one hundred

587 percent (100%) shall be appropriated in fiscal year 2003 into the  
588 State Adequate Education Program Fund. Until July 1, 2002, such  
589 money shall be used by school districts for the following  
590 purposes:

591 (a) Purchasing, erecting, repairing, equipping,  
592 remodeling and enlarging school buildings and related facilities,  
593 including gymnasiums, auditoriums, lunchrooms, vocational training  
594 buildings, libraries, school barns and garages for transportation  
595 vehicles, school athletic fields and necessary facilities  
596 connected therewith, and purchasing land therefor. Any such  
597 capital improvement project by a school district shall be approved  
598 by the State Board of Education, and based on an approved  
599 long-range plan. The State Board of Education shall promulgate  
600 minimum requirements for the approval of school district capital  
601 expenditure plans.

602 (b) Providing necessary water, light, heating, air  
603 conditioning, and sewerage facilities for school buildings, and  
604 purchasing land therefor.

605 (c) Paying debt service on existing capital improvement  
606 debt of the district or refinancing outstanding debt of a district  
607 if such refinancing will result in an interest cost savings to the  
608 district.

609 (d) From and after October 1, 1997, through June 30,  
610 1998, pursuant to a school district capital expenditure plan  
611 approved by the State Department of Education, a school district  
612 may pledge such funds until July 1, 2002, plus funds provided for  
613 in paragraph (e) of this subsection (4) that are not otherwise  
614 permanently pledged under such paragraph (e) to pay all or a  
615 portion of the debt service on debt issued by the school district  
616 under Sections 37-59-1 through 37-59-45, 37-59-101 through  
617 37-59-115, 37-7-351 through 37-7-359, 37-41-89 through 37-41-99,  
618 37-7-301, 37-7-302 and 37-41-81, Mississippi Code of 1972, or debt  
619 issued by boards of supervisors for agricultural high schools

620 pursuant to Section 37-27-65, Mississippi Code of 1972, or  
621 lease-purchase contracts entered into pursuant to Section 31-7-13,  
622 Mississippi Code of 1972, or to retire or refinance outstanding  
623 debt of a district, if such pledge is accomplished pursuant to a  
624 written contract or resolution approved and spread upon the  
625 minutes of an official meeting of the district's school board or  
626 board of supervisors. It is the intent of this provision to allow  
627 school districts to irrevocably pledge their Interim School  
628 District Capital Expenditure Fund allotments as a constant stream  
629 of revenue to secure a debt issued under the foregoing code  
630 sections. To allow school districts to make such an irrevocable  
631 pledge, the state shall take all action necessary to ensure that  
632 the amount of a district's Interim School District Capital  
633 Expenditure Fund allotments shall not be reduced below the amount  
634 certified by the department or the district's total allotment  
635 under the Interim Capital Expenditure Fund if fully funded, so  
636 long as such debt remains outstanding.

637 (e) [Repealed]

638 (f) [Repealed]

639 (g) The State Board of Education may authorize the  
640 school district to expend not more than twenty percent (20%) of  
641 its annual allotment of such funds or Twenty Thousand Dollars  
642 (\$20,000.00), whichever is greater, for technology needs of the  
643 school district, including computers, software,  
644 telecommunications, cable television, interactive video, film,  
645 low-power television, satellite communications, microwave  
646 communications, technology-based equipment installation and  
647 maintenance, and the training of staff in the use of such  
648 technology-based instruction. Any such technology expenditure  
649 shall be reflected in the local district technology plan approved  
650 by the State Board of Education under Section 37-151-17,  
651 Mississippi Code of 1972.

652           (h) To the extent a school district has not utilized  
653 twenty percent (20%) of its annual allotment for technology  
654 purposes under paragraph (g), a school district may expend not  
655 more than twenty percent (20%) of its annual allotment or Twenty  
656 Thousand Dollars (\$20,000.00), whichever is greater, for  
657 instructional purposes. The State Board of Education may  
658 authorize a school district to expend more than said twenty  
659 percent (20%) of its annual allotment for instructional purposes  
660 if it determines that such expenditures are needed for  
661 accreditation purposes.

662           (i) The State Department of Education or the State  
663 Board of Education may require that any project commenced under  
664 this section with an estimated project cost of not less than Five  
665 Million Dollars (\$5,000,000.00) shall be done only pursuant to  
666 program management of the process with respect to design and  
667 construction. Any individuals, partnerships, companies or other  
668 entities acting as a program manager on behalf of a local school  
669 district and performing program management services for projects  
670 covered under this subsection shall be approved by the State  
671 Department of Education.

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

676           The provisions of this subsection (4) shall be cumulative and  
677 supplemental to any existing funding programs or other authority  
678 conferred upon school districts or school boards.

679           **SECTION 4.** This act shall take effect and be in force from  
680 and after July 1, 2007.