

# **MISSISSIPPI**

Gary P. Johnson  
Professor of Educational Leadership  
Mississippi State University

Judy Rhodes, Director  
Office of Educational Accountability  
Mississippi Department of Education

Ralph McDonald, Director  
Budget Office  
Mississippi Department of Education

Wanda A. Rutland, Special Projects Officer  
Financial Accountability  
Mississippi Department of Education

Leslie Shivers, Director  
Financial Accountability  
Mississippi Department of Education

## **I. GENERAL BACKGROUND**

### **State**

The current state school finance plan is the result of legislation passed by the Mississippi Legislature in 1994 and funded in 1997. The plan is called the Mississippi Adequate Education Program (MAEP).

The MAEP operates like a guaranteed yield plan and was designed to bring lower performing school districts up to an expenditure level of an adequately performing school district. Adequate performance is directly linked to the state=s accountability accreditation model which annually assigns an accreditation performance index rating to every school district in the state that ranges in value from a low of 1.0 to a high of 5.0. A school district receiving a performance index

value of 3.0 (Level 3) is considered within the accreditation model to be performing at an adequate level.

The MAEP calculates a base student cost figure of educating a student using a sample of Level 3 school districts and then allocates state aid to school districts according to the base student cost figure multiplied by the number of students in the district. The base student cost figure includes the per-pupil cost of (a) instruction, (b) administration, (c) operation and maintenance of plant, and (d) ancillary support. The current base student cost figure used in the MAEP to allocate state funds to local school districts is \$2,761. Additional state aid is provided to local school districts based on the number of at-risk students in the district, special education, vocational education, and gifted education needs, and the transportation circumstances within the district. To participate in the MAEP and receive state money under the program, districts must levy a local property tax of 28 mills. Under the MAEP, the state's share is approximately 81% and the local share 19%.

The MAEP also specifies an increase in the level of funding to be phased in over a six-year period which began in 1998. In all, an additional \$273.7 million in state revenue will be added to the school finance system.

### **Local**

There are 152 school districts in Mississippi and the largest single source of local revenue going to support public education is revenue from an ad valorem tax on property. In 1997–1998, revenue from the property tax statewide accounted for approximately 64% of the total local revenue going to support public education. For the 1997–98 school year, the number of mills levied for current operation ranged from a low of 17.25 mills with a current net yield per pupil in ADA of \$443.65 to a high of 66.70 mills with a \$2,261.34 current net yield per pupil in ADA.

Additional sources of local revenue include revenue from bond and interest fund receipts, operation of 16<sup>th</sup> section lands, student activity fees, food service, and investment earnings. In 1997–98, total local revenue made up 31.09% of all revenue supporting the operation of public education in Mississippi.

## Funding Summary 1998–99

Not reported.

## Funding Summary 1997–98

Total State School Aid (All Programs)		\$ 1,333.5 million
Grants in Aid	1,202.8 million	
Teacher Retirement Contributions	73.5 million	
FICA	57.2 million	
Total Local School Revenue		\$ 754.8 million
Property Tax	479.9 million	
Other local source tax revenue	0 million	
Local source non-tax revenue	274.9 million	
Total Combined State and Local School Revenue		\$ 2,088.3 million
State Financed Property Tax Credits Attributable to School Taxes		\$ 32.1 million

## II. LOCAL SCHOOL REVENUE

Property tax revenue constitutes the sole source of local tax revenue used to support public education at the local level. Tax rates are expressed as mills levied. As prescribed in Article 112 of the State=s Constitution, property is assessed according to the following specifications: Single family, owner occupied, and residential real property at 10% of true market value; all other real property at 15%; public utility property at 30% and motor vehicles at 30%.

## III. TAX AND SPENDING LIMITS

Districts are currently limited to a maximum local total millage rate of 55 mills. However, up to 55 mills, local school boards may increase tax revenue up to 7% over the amount collected in the previous year without a referendum. By giving notice of intent, school districts can increase tax revenue up to 10% over the

amount collected in the previous year unless there is a petition signed by not less than 20% or 1,500 of the school district=s residents, whichever is less, of the qualified electors calling for an election on the matter and approved by 60% of those voting in the election. The 10% increase limitation can be increased by an additional amount only when the school board has determined the need for additional revenues and has held an election on the question and the increase has been approved by 60% of those voting in the election. A school district may not reduce the amount of local tax support from the previous year and continue to receive state funds unless there has been a reduction in total assessed value of taxable property within a school district or there has been a reduction in the number of teacher units.

#### **IV. STATE/PROVINCIAL EARMARKED TAX REVENUE**

With the passage of the one-cent sales tax increase in 1992, the State has earmarked one cent out of every seven cents of sales tax for education. This amounted to \$222 million during FY 1997–98. These funds are earmarked to a degree for specific items such as textbooks, transportation, equity funding, classroom instructional supplies, and local advalorem tax reduction. Remaining funds are subject to the normal appropriation process and have been used to assist in the funding of assistant reading instructors, vocational education and industrial training.

The state also provided through passage of House Bill 400 in the 1994 Legislative session that funds remaining in the state general fund at the end of each fiscal year shall be divided as follows:

- 50% shall be remain in the General Fund
- 25% shall be utilized for K–12 education
- 12.5% shall be utilized for public institutions of higher learning
- 12.5% shall be utilized for public community and junior colleges

These dollars are subject to the normal appropriation process and they provided \$39.3 million for K–12 education in Mississippi in FY 1997–98.

## V. BASIC SUPPORT PROGRAM

**Funding in 1998–99:** \$1,036.6 million.

**Percentage of Total State Aid:** Not reported.

**Nature of the Program:** Foundation. The Mississippi Adequate Education Program was first implemented in 1998. Prior to 1998, the state's basic support program was called the Minimum Education Program (MEP) which was a modified Strayer-Haig foundation program. The MEP had been in operation since 1953. The MAEP is a cost-based program that guarantees to all school districts in the state a level of per-pupil funding associated with a sample of school districts whose performance has been determined Adequate within the state's accountability accreditation model. The purpose of reforming the state's basic support program was to increase equity and to provide adequate funding for the poorer districts in the state.

**Allocation units:** Average daily attendance.

**Local Fiscal Capacity:** Assessed property value.

**How the Formula Operates.** The Base Student Cost, District ADA, Local Contribution, At-risk Component, ADA Allocation, and the 8% Guarantee are the allocation units that comprise the MAEP. There are five variables used in selecting which school districts are used to calculate the overall base student cost: (a) accreditation level, (b) enrollment, (c) operational millage, (d) net assessed value per pupil, and (e) percentage of students participating in the free lunch program. Statewide averages on these five variables are computed. School districts used in calculating the overall base student cost are all districts whose actual statistics on any of the five variables falls within one standard deviation of the statewide average on any of the five variables. Once these districts are identified, mean cost figures for the five school district groups are computed in four areas: (a) instruction, (b) administration, (c) operation and maintenance of plant, and (d) ancillary support. Then the average cost across these four areas are added together to obtain the Base Student Cost used by the state to allocate funds through the MAEP.

The base student cost for 1998 and subsequent years is calculated using data from the second preceding school year. Because of this, the base student cost figure for each year needs to be adjusted for the current year legislative actions and actions for the upcoming year which have an associated cost. The costs of these ongoing adjustments are figured on a per-pupil basis and added to the initial Base Student Cost which in 1998 was \$2,787.

The district ADA figure used in the calculation of state aid through the MAEP is the ADA average of months 1 through 9 of the year preceding the appropriation, or the average ADA figure for months 2 and 3 in the year of the appropriation, whichever is greater. These ADA figures exclude those students in self-contained special education classrooms.

The third allocation unit in the MAEP is the local contribution unit. The district's local contribution is figured using the second preceding year's data. First, the district's required yield from a 28 mill levy is computed. This figure is reduced by the district's ad valorem tax reduction grants. This figure is capped at 27% of the base student cost plus the at-risk component.

The fourth allocation is the at-risk component. Again, using the second preceding year's data, 5% of the Base Student Cost is multiplied by the number of students in the district participating in the free lunch program.

The fifth allocation unit in the MAEP is the ADA allocation unit. It is calculated by multiplying .13% of the Base Student Cost by the school district's ADA. This amount is added to the program cost figure (which is the Base Student Cost plus at-risk add-on component) before the calculation of the 8% guarantee.

The last allocation unit is the funding guarantee feature of the MAEP. School districts are guaranteed at least an 8% increase in state funds over fiscal year 1997 during the six-year phase-in period and at least an 8% increase in state funds over fiscal year 2002 at full funding in the year 2003.

The new basic funding formula works as follows:

$$\begin{aligned}
& \text{Base Student Cost} \\
& \quad \times \\
& \quad \text{District ADA} \\
& \quad + \\
& \quad \text{At-risk Student Add-on} \\
& \quad + \\
& \text{Other add-ons: (special education, transportation, vo-tech, gifted education,} \\
& \quad \text{alternative education, and health insurance)} \\
& \quad = \\
& \text{ADEQUATE EDUCATION PROGRAM COST} \\
& \quad - \\
& \quad \text{Local Contribution} \\
& \quad \text{(28 mill local levy capped at 27\% of Program Cost)} \\
& \quad = \\
& \quad \text{STATE PROGRAM COST} \\
& \quad \text{+/- hold harmless adjustment} \\
& \quad + \\
& \quad \text{Local levy OVER 28 mills} \\
& \quad = \\
& \text{TOTAL REVENUES AVAILABLE TO LOCAL SCHOOL DISTRICTS}
\end{aligned}$$

The total cost of the MAEP in its first year was approximately \$1,275 million, with the state's share being 81.3% and the local share being 18.7%.

**Adjustments for Special Factors:** None.

**State and Local Share:** To participate in the MAEP and receive state aid, local districts are required to tax themselves at a rate of 28 mills.

**Weighting Procedures:** None.

**Aid Distribution Schedule:** Not reported.

**Districts Off Formula:** None.

## VI. TRANSPORTATION

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$49.1 million.

**Percentage of Total State Aid:** 3.7%.

**Description:** (MISS. CODE § 37-19-23). The allotment for transportation through the MEP is based on a density formula (the number of ADA transported per square mile of the district) and a State Board of Education rate table. The rate table provides greater amounts per pupil in districts with fewer pupils transported per square mile. Beginning with 1998–99, transportation is an add on to base funding.

**State and Local Shares:** The state share is equal to the calculated amount. The district assumes the remaining costs. The state/local share of the total cost of transportation has changed from 79.4% state and 20.6% local in 1983–84 to 58.1% state and 41.9% local in 1993–94.

**Extent of Participation:** Not reported.

## VII. SPECIAL EDUCATION

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$49.1 million.

**Percentage of Total State Aid:** 3.7%.

**Description:** In addition to the funding provided for special education teacher units the state also provided funding for the following special education programs.

**University Based Programs**  
(MISS. CODE § 37-23-31)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$0.6 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** When 5 or more children under the age of 21, who, because of deafness, aphasia, emotional disturbance and/or other low-incidence conditions, are unable to have their educational needs met in a regular public school program, and a special education program in their particular area of exceptionality is not available in their respective local public school districts, a state-supported university or college shall be authorized and empowered, in its discretion, to provide a program of education, instruction and training to such children, provided that such program shall operate under the rules, regulations, policies and standards adopted by the state department of education.

**Extent of Participation:** Not reported.

**Mississippi School for Deaf/Blind**

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$9.1 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** The State Board of Education administers two residential schools -- one for the deaf and one for blind and visually impaired children. The schools teach blind and deaf students independent living skills, academics and vocational studies in a residential setting.

**Extent of Participation:** Not reported.

### **Learning Resource Centers**

(MISS. CODE § 37-23-101)

**Funding in 1998-99:** Not reported.

**Percentage of Total State Aid:** Not reported

**Funding in 1997-98:** \$0.35 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** The state provides funding for districts to establish regional consortiums to do the actual screening of children and teams in Jackson to evaluate those results.

**Extent of Participation:** Not reported.

### **Educable Children**

(MISS. CODE § 37-23-61)

**Funding in 1998-99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997-98:** \$4.9 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** The Educable Child program provides funds to help educate disabled children placed in private/parochial schools and in private language/speech clinics. There are three types of programs funded:

Parent Placements. If a parent places an eligible disabled child in a program approved by the State Department of Education, that parent can be reimbursed \$600 for tuition if the child is in the 3 through 20 age range regardless of whether there is a local school district program available for that child. If the disabled child is under age 3, the tuition reimbursement will not be \$5,000 if there is no local school program available for that child and \$600 if there is a local program available. If the child is certified as requiring inpatient care in a private intermediate care facility for the mentally retarded or psychiatric residential treatment facility, with Medicaid reimbursement, the tuition reimbursement is for the educational cost if an approved private school is operated as an integral part of the facility.

Local School District Placements. If a disabled student in the 5 through 20 age range cannot receive an appropriate education in the local school district where they reside and that district places the student in a State Department of Education approved program, the school district is reimbursed \$3,000 for tuition for placement of that student. Local school district personnel must justify the need for an out-of-district placement and must show that available state and local programs have been considered and that a program adequate to meet the student=s needs cannot be provided locally.

Welfare Placements. When the Department of Public Welfare has been given custody (by court order) of a *disabled* child in the 5 through 20 age range and places that child in a private residential school because no foster home can be found for the child, then the actual cost of that student=s education in the residential school is reimbursed.

**Extent of Participation:** Not reported.

**Extended School Year**  
(MISS. CODE § 37-19-5)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$1.4 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** Additional funds are provided for each disabled child who is being educated by a public school district and whose individualized educational program (IEP) requires an extended school year in accord with the State Department of Education criteria. The additional cost of these programs, offered during the summer months, is fully reimbursed.

**Extent of Participation:** Not reported.

## **VIII. COMPENSATORY EDUCATION**

No state aid provided.

## **IX. GIFTED AND TALENTED EDUCATION**

(MISS. CODE § 37-23-171)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$18.9 million.

**Percentage of Total State Aid:** 1.4%.

**Description:** In addition to funding teacher units for gifted and talented programs, the state funds the Mississippi School for Mathematics and Science.

**Extent of Participation:** Not reported.

**Mississippi School for Mathematics and Science**  
(MISS. CODE § 37-139-1)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$3.4 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** The Mississippi School for Mathematics and Science (MSMS) is a state supported, residential high school for academically able students housed on the campus of the Mississippi University for Women in Columbus, Mississippi. Students are recruited during their sophomore year and spend their junior and senior years at MSMS. The MSMS offers an expanded academic program with course offerings ranging from entry level through advanced placement in each subject discipline. The overall objective is to provide bright Mississippi students with a challenging college preparatory background.

**Extent of Participation:** Not reported.

## **X. BILINGUAL EDUCATION**

No state aid provided.

## **XI. EARLY CHILDHOOD EDUCATION**

No state aid provided.

## **XII. OTHER CATEGORICAL PROGRAMS**

In addition to the one-half teacher unit for each approved program of vocational and technical education, the state funds the following programs.

**Vocational Education**  
(MISS. CODE § 37-31-1)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$93.2 million.

**Percentage of Total State Aid:** 6.9%.

**Description:** Through a separate appropriation, local school districts are reimbursed for salaries of approved ongoing vocational and technical instructors, counselors and administrators who are employed by a local public school district.

**State and Local Shares:** The state will pay:

49% of the state=s minimum salary extended from 9.5 to 10 months= employment for skill programs, diversified technology instructors, and complex counselors.

49% of the state=s minimum salary schedule extended from 9.25 to 10 months= employment for basic vocational program instructors and discovery program instructors.

20% of the state=s minimum salary schedule extended from 9.25 to 10 months= employment for enrichment program instructors.

100% of the minimum salary schedule extended up to 10 months= employment for vocational directors and assistant directors.

100% of the base salary of a home economics aide in a depressed home economics program not to exceed State Board set rates for 9.25 to 10 months= employment.

49% of the state=s vocational salary schedule extended 40 days in compliance with MISS. CODE § 37-31-13 for secondary vocational programs that contribute to economic development. Vocational funding for the Mississippi School for the Deaf and the Mississippi School for the Blind is 100% of the state=s minimum salary schedule extended up to 12 months= employment of approved vocational instructors, vocational counselors, and vocational administrators. The state also provides 100% reimbursement for specific approved equipment, supplies and other expenses necessary for the provision of vocational and technical education.

**Extent of Participation:** Not reported.

### **Textbook Procurement**

(MISS. CODE § 37-43-1)

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$19.2 million (includes \$12.9 million from EEF).

**Percentage of Total State Aid:** N/A.

**Description:** Mississippi provides Afree@ textbooks to students in public schools and eligible private schools. The books are owned by the public school districts and nonpublic schoolbooks are state-owned and are Aloaned@ to pupils at no cost. A privately operated warehouse/distribution center facilitates the delivery of this service. There is a rotation 6-year adoption procedure. Under the adoption procedure, the Governor appoints three members and the State Superintendent of Education appoints four members to rating committees who recommend up to eight publishers in each subject area. Local school districts may adopt any of the state-adopted textbooks. The 1994 Legislature made provisions that school districts may purchase either adopted or non-adopted textbooks.

**State and Local Shares:** During the 1997–98 school year, the state provided \$40.74 (\$14.02 from state general funds/\$26.72 from Educational Enhancement Funds) per child in average daily attendance (grades 1–12) during the 1996–97

school year. Additional textbooks and supplemental teaching materials are provided through the local funds of the school district.

**Extent of Participation:** Not reported.

### **Sixteenth Section Trust Land**

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$10.4 million.

**Percentage of Total State Aid:** less than 1%.

**Description:** Reforms in the administration of 16<sup>th</sup> Section trust land administered by local school boards have brought about an increase in revenue over the past 10 years. An area of the state representing approximately 32 school districts was allowed to sell 16<sup>th</sup> Section land in the early 1800s and the proceeds were invested in various railroad companies. Non-productive Alieu lands@ were established in lieu of the privately owned parcels. These lieu lands were largely unmanaged and provided little or no income to the schools. The railroad companies eventually defaulted in payments or made settlements with worthless paper almost resulting in a total loss in revenue. A group of school districts were successful in a suit against the state for loss of revenue and since 1985 have received a general fund appropriation in an amount equal to the average per-teacher amount of revenue in the districts that have 16<sup>th</sup> Section trust land.

**Extent of Participation:** Not reported.

### **Uniform Millage Assistance Grant**

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$34.2 million.

**Percentage of Total State Aid:** 2.6%.

**Description:** In 1989, the Mississippi State Legislature created an act known as the Mississippi School District Uniform Millage Assistance Grant Program (Miss. CODE § 37-22-1). It was the intent of the Legislature that through this grant program, each student counted in average daily attendance in the public schools in Mississippi shall have equal access to funds generated by a uniform minimum school district ad valorem tax levy. The Act became effective for the 1990–91 school year.

There are three critical elements of the Uniform Millage Assistance Grant (UMAG): (a) uniform minimum ad valorem tax levy, (b) maximum yield at the uniform ad valorem tax levy, and (c) individual student entitlement. Under the minimum ad valorem tax levy, each school district is required to levy the minimum millage which the State Board of Education shall determine each year on the millage necessary to produce the maximum yield, whichever is less. The State Board of Education set the minimum ad valorem tax levy at 33.04 mills and individual student entitlement rate of \$742 per child. This is the estimated amount of 33.04 mills applied to total state taxable assessed valuation would produce divided by state aggregated ADA. This means that each school district must levy 33.04 mills or the amount sufficient to produce \$742 per ADA, whichever is less.

**State and Local Shares:** Before the state provides any UMAG funds to a district, other local sources of revenue are considered in determining the \$742 per ADA level. If a district's ad valorem tax levy applied against its assessed valuation does not produce the \$742 and the district has other local sources of revenue when added together with the ad valorem taxes collected produces the \$742, then the district gets no additional state funds. However, if the district's ad valorem taxes collected plus other local sources of revenue do not produce the \$742, then the state contributes the amount required to bring the per child allocation up to the \$742 individual student entitlement.

Under Mississippi's plan, there is no recapture or redistribution of local wealth. A district having high wealth plus a high tax levy keeps all funds generated. It is possible for a district having a high tax levy with a small assessed valuation and limited other local revenue to receive UMAG funds.

There is a second level funding program which provides additional funds (regardless of local wealth) to any county where there is only one school district located therein. The underlying rationale is to bring about voluntary district consolidation. For the 1997–98 school year, the allocation for the second level funding was \$36 per ADA.

**Extent of Participation:** 119 districts.

### **XIII. TEACHER RETIREMENT AND BENEFITS**

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$130.7 million.

**Percentage of Total State Aid:** 9.8%.

**Description:** A separate state agency, the Public Employees' Retirement System of Mississippi, administers the state retirement program. It was created in 1952. It is a self-funded actuarial reserve type system and by statute was created as a pension trust fund (MISS. CODE § 25-11-101).

**State and Local Shares:** The current employer rate for retirement contributions is 9.75% of salaries; of this the MEP pays 8.25% with the district paying the remaining 1.5%. The current employee rate of retirement contribution is 7.5% of salary on maximum earnings of \$75,600. The state pays the full share of employer cost for Social Security on all MEP funding elements used for salaries.

**Extent of Participation:** All districts.

Health Insurance Funding in 1997–98 was \$80.6 million. The 1994 Legislature made a major stride in helping public education by providing fully paid health insurance for school district employees including bus drivers.

#### **XIV. TECHNOLOGY**

**Funding in 1998–99:** Not reported.

**Percentage of Total State Aid:** Not reported.

**Funding in 1997–98:** \$16.4 million.

**Percentage of Total State Aid:** 1.2%.

**Description:** These funds were distributed to local school districts for computer hardware, equipment, and computer-based instructional programs based on grant proposals written at the local school district level.

**Extent of Participation:** Not reported.

#### **XV. CAPITOL OUTLAY AND DEPT SERVICE**

##### **Public School Building Fund**

(MISS. CODE § 37-47-1)

The public school building fund was established in 1953 to provide state funds for capital improvement of schools in the state. Capital improvements include the cost of erecting, repairing, equipping, remodeling and enlarging school buildings and related facilities. This program assists school districts in defraying the costs of capital improvements necessary to provide adequate school facilities. The financial structure of the state public school building fund is made up of three interlocking, yet distinct features: (a) annual grants to school districts; (b) legislative funding of the program; and (c) state school bonds.

##### **Annual Grants**

The Legislature increased the annual grants from \$12 to \$24 per student in average daily attendance. These grants are to be applied for the purpose of establishing and maintaining adequate physical facilities for the public school system. In addition to the grants which accrue annually, school districts are also

allowed to borrow in anticipation of future grants. The State Board of Education is authorized to lend districts a maximum of 75% of the estimated grants which will accrue to the districts within the next 20 years. Such loans bear interest at the rate of 2.5% per year, or the average interest rate which the state pays on its school bonds, whichever is higher. All grants and loans made to school districts must be expended on projects approved by the State Board of Education.

### **Legislative Funding.**

Legislative funding for this program is through a diversion of state sales tax. Although the Legislature adopted the program of providing annual grants to school districts in 1953, no state funds were provided until the 1955 Legislature set aside \$555,000 per month. During the intervening 49 years, this monthly allocation of sales tax diversion has been increased to \$1,666,666 million per month. From this monthly allocation of state sales taxes, the State Public School Building Fund is required to pay the principal and interest for the retirement of outstanding state school bonds first. The balance of the allocation may be expended on school construction projects. In 1994–95 school year, 44.98% of the funds were used for principal and interest repayment.

Current bonds outstanding are \$31,830,000. These bonds will be retired May 1, 2001, allowing the entire monthly revenue to be expended as cash.

### **School Bonds and Obligations**

(MISS. CODE § 37-59-1)

In addition to receiving capital outlay funds through the state public school building fund, the school boards are authorized to issue negotiable bonds for capital improvement purposes. The amount of outstanding bonded indebtedness is limited to 15% of the assessed value of the taxable property within such district. A referendum is required before any money can be borrowed under this provision. Sixty percent of the qualified electors who vote in such election must vote in favor of the issuance of bonds.

**Other Debt Service**  
(MISS. CODE § 37-59-101)

A school district also has authority to execute negotiable notes or certificates of indebtedness for the purpose of making repairs, alterations and additions to school building, purchasing heating plants, fixtures and equipment, purchasing land for school purposes, school buses and transportation equipment, improving and equipping school lands for recreational and athletic purposes, and for air conditioning school buildings. The amount that can be borrowed under this provision is limited to the dollar amount (principal plus interest) that a 3 mill tax levy levied for no more than 10 years would repay. By giving notice of intent, the school district may levy the additional mills without referendum unless there is a petition signed by not less than 20% of the qualified electors calling for an election on the matter and approved by 60% of those voting in the election.

**XVI. STANDARDS/ACCOUNTABILITY MEASURES**

Each year the Mississippi Department of Education (MDE) calculates a performance index number for every school district in the state. The numbers can range in value from 1.0 to 5.0. Based on the numerical value of a school district's performance index number, the MDE assigns the school district to one of five accreditation levels, ranging in value from a low of 1 to a high of 5. To calculate performance index numbers for the state's 152 school districts, the MDE first establishes minimum and maximum test score values for each of 34 performance standards. These 34 performance standards are a battery of student tests (or assessments) across grade levels that measure student performance in reading, writing, mathematics, literacy, and selected subject areas. The MDE labels these 34 tests as Level 3 performance standards. Test results on these 34 Level 3 performance standards are obtained by the MDE from every school district in the state. Next, based on the percentage of Level 3 performance standards met, a school district performance index number is calculated for each district and the district is then assigned to an accreditation Level of 1, 2, or 3. For example, a school district having test score values within the minimum and maximum test score ranges (previously established by the state) on 20 (58.8%) of the 34 Level 3 performance standards would receive a school district performance index number of 1.6 and be assigned to an accreditation Level of 1; while a school district

meeting 30 (or 88.2%) of the 34 Level 3 performance standards would receive a performance index number of 2.9 and be assigned to an accreditation Level of 2.0. School districts meeting more than 30 (or 88.2%) of the 34 Level 3 performance standards are assigned a Level 3 accreditation status. This completes what MDE calls APhase 1@ of the Performance-Based Accreditation System.

All school districts with a Level 3 accreditation status in Phase 1 enter Phase 2 of the accreditation process. Phase 2 begins when the MDE establishes minimum and maximum test score values for an additional 37 Level 5 performance standards. Next, the MDE examines Level 3 status school district test results to determine what percentage of the 37 additional performance standards are being met by the school districts in Phase 2. Based on the percentage of these performance standards that are being met, the MDE calculates school district performance index numbers for all Phase 2 school districts and assigns them to an accreditation Level of 3, 4, or 5. For example, a Phase 2 school district that meets 13 or less of the additional 37 Phase 2 performance standards would receive a performance index number of 3.0 and be assigned to an accreditation level of 3. A school district that met 31 or 32 (between 81.1% and 83.8%) of the Phase 2 performance standards would receive a performance index rating of 3.9 and be assigned to an accreditation Level 3. School districts meeting 35 (94.6%) of the Phase 2, performance standards would receive a performance index number of 4.7 and be assigned to accreditation Level 4. School districts receiving a 5.0 performance index number and assigned to an accreditation Level 5 are those school districts meeting all 37 Phase 2, Level 5 performance standards [having district scores meeting or exceeding MDE established minimum score values on all 37 Phase 2 performance standards].

## **XVII. REWARDS/SANCTIONS**

Not only did the 1999 legislature pass legislation raising teacher salaries by approximately 8% across the board, but it passed a comprehensive bill entitled the Mississippi Student Achievement Improvement Act (Senate Bill 2156). The Act calls for a substantial change in the current accreditation system and several other related factors thought to be associated with student achievement and educational system performance at the district and school level. In essence, the Bill puts into place a new accountability system that focuses on individual schools and

continued student growth. Its aim is to encourage steady progress in all school districts and schools, including those at the top.

Senate Bill 2156 requires the State Board of Education to establish an Improving and High Performing Schools Program for identifying and rewarding public schools that improve or are high performing:

Provides for financial salary incentives for certified and non-certified staff for schools which meet the performance criteria;

Requires the State Superintendent and State Board of Education to develop a comprehensive accountability plan to ensure that local boards, superintendents, principals, and teachers are held accountable for student achievement. Incentive rewards will be made only after the accountability plan has been developed and approved by the State Board of Education, and necessary statutory amendments have been made.

There is also a school recognition and reward component in the Bill. This calls for: a recognition program for growth schools; a recognition program for schools with high levels of student proficiency; monetary rewards for schools exceeding their growth expectations for schools having extremely high numbers of proficient students. For example, a Level 5 school would receive the monetary reward even if it did not exceed its growth expectation.

Strengthens and clarifies the conservator=s role and responsibilities where school districts have been placed in conservatorship by the state because of low performances.

## **XVIII. FUNDING FOR NON TRADITIONAL PUBLIC SCHOOLS**

No state aid provided.

## **XIX. AID TO PRIVATE SCHOOLS**

There is no state general fund appropriation to aid private schools. State accredited private schools do receive Afree@ state owned textbooks (see Other Categorical - Textbook Procurement) and special education programs that are not

offered through the local public school may receive a limited amount of state funds (See Section on Special Education - Educable Children).

## **XX. RECENT/PENDING LEGISLATION**

None reported.

## **XXI. SPECIAL TOPICS**

### **Alternative School Programs**

The 1991 Legislature enacted legislation that required all school districts to establish an alternative school program for the following categories of students: (a) any compulsory school age child (under the age of 17 years) referred to the program by any chancellor or youth court judge including, but not limited to nonviolent juvenile offenders confined in any youth court detention facility; (b) any compulsory school age child who has dropped out of school in violation of the compulsory school attendance law, has been suspended or expelled from school, or committed disciplinary infractions which will result in expulsion from school; (c) any compulsory school age child referred to such alternative school by the parent, legal guardian or custodian of such child due to disciplinary problems. The operating expenses of the alternative school programs are to be paid from funds contributed or otherwise made available to the school district for such purpose or from local district maintenance funds.

### **Mississippi Critical Teacher Shortage Act**

The 1998 Legislature enacted legislation that will assist in the recruitment of teachers to rural areas and communities in Mississippi where there exists a critical shortage of qualified teachers, as determined by the Mississippi Board of Education. The program provides for college scholarships for individuals who agree to teach in the designated geographical areas of the state. It provides for moving expenses for teachers moving into those areas. It provides for teachers to pursue masters' degrees while teaching in these areas; provides for eligible teachers to pursue an administrators license; and provides an opportunity for individuals to gain assistance in purchasing a home in those areas.