

Descriptor Term: ANNUAL OPERATING BUDGET PREPARATION PROCEDURES

Descriptor Code: DCC

Rescinds: DCC

Board Approved: 11/16/2015

Previous Approved: 7/13/2009

1. On or before the fifteenth day of August of each year, the school board, with the assistance of the superintendent of schools, shall prepare and file with the levying authority for the school district, as defined in Section 37-57-1, at least two (2) copies of a budget of estimated expenditures for the support, maintenance and operation of the school district for the fiscal year commencing on July 1 of such year. Such budget shall be prepared on forms prescribed and provided by the State Auditor and shall contain such information as the State Auditor may require.
2. In addition, on or before the fifteenth day of August of each year, the school board, with the assistance of the superintendent of schools, shall prepare and file with the State Department of Education such budgetary information as the State Board of Education may require. The State Board of Education shall prescribe and provide forms to each school district for this purpose.
3. Prior to the adoption of a budget pursuant to this section, the Board shall hold at least one (1) public hearing to provide the general public with an opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing shall be held at least one (1) week prior to the adoption of the budget with advance notice. After final adoption of the budget a synopsis of such budget in a form prescribed by the State Department of Audit shall be published in a newspaper having general circulation in the school district on a date different from the date on which the county or any municipality therein may publish its budget.
4. There shall be imposed limitations on budgeted expenditures for certain administration costs, as defined hereinafter, in an amount not greater than One Hundred Fifty Thousand Dollars (\$150,000.00) plus four percent (4%) of the expenditures of all school districts each year. For purposes of this subsection, "administration costs" shall be defined as expenditures for salaries and fringe benefits paid for central administration costs from all sources of revenue in the following expenditure functions as defined in the MISSISSIPPI PUBLIC SCHOOL DISTRICT FINANCIAL ACCOUNTING MANUAL:

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2300 = Support Services - General Administration
2310 = Board of Education Services
2320 = Executive Administration Services
2330 = Special Area Administration Services

2500 = Business Services
2510 = Fiscal Services
2520 = Purchasing Services
2530 = Warehousing and Distributing Services
2540 = Printing, Publishing and Duplicating Services
2590 = Other Support Services-Business

Any costs classified as "administration costs" for purposes of this subsection which can be demonstrated by the local school district to be an expenditure that results in a net cost savings to the district that may otherwise require budget expenditures for functions not covered under the definition of administration costs herein may be excluded from the limitations herein. The local school board shall make a specific finding of such costs and spread such finding upon its minutes, which shall be subject to the approval of the Office of Educational Accountability of the State Department of Education. Any school district required to make expenditure cuts, as a result of application of this subsection, shall not be required to reduce such expenditures more than twenty-five percent (25%) in any year in order to comply with this mandate.

The State Auditor shall ensure that functions in all expenditure categories to which this administrative limitation applies shall be properly classified.

This section shall not apply to central administration with five (5) or less full-time employees, or to those school districts which can substantiate that comparable reductions have occurred in administrative costs for the five-year period immediately prior to school year 1993-1994. In the event the application of this section may jeopardize the fiscal integrity or operations of the school district, have an adverse impact on the ability of the district to deliver educational services, or otherwise restrict the district from achieving or maintaining a quality education program, the State Board of Education shall be authorized to exempt the application of this section to such school district pursuant to rules and regulations of the State Board of Education consistent with the intent of this section. § 37-61-9 (2006)

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Unless the increased revenue in a budget is derived solely from the expansion of a school district's ad valorem tax base, a school district shall not budget an increase in an ad valorem tax effort in dollars for support of the school district unless it first advertises its intention to do so at the same time that it advertises its intention to fix its budget for the next fiscal year. A request for an ad valorem tax effort in dollars for the support of the school district in excess of the certified tax rate pursuant to Sections 37-57-105 and 37-57-107 shall not be levied until an order has been approved by the school board of the school district in accordance with the procedure set forth in Section 27-39-207, Mississippi Code of 1972. § 27-39-207 (1999)

LEGAL REF.: MS CODE as cited and § 27-39-203; § 27-39-205
Mississippi Public School Accountability Standards

CROSS REF.: Policies DCCA C Budget Deadlines and Schedules
DCE C Annual Operating Budget Final Adoption Procedures