

## **Chapter 62: Public School Funding**

### *Rule 62.1 Applications*

1. The local School Board and Superintendent shall prepare and submit to the State Board of Education in duplicate the "Long Range Plan of Providing Equal Facilities" for the children of the district. It is very desirable that a conference be held with the Office of School Building and Transportation before the Long Range Plan is completed. This Long Range Plan must be submitted to and approved by the State Board of Education before any school building project can be approved.
2. The site for any new building must be approved by the State Board of Education.
3. Separate applications, along with preliminary plans, must be submitted for each project. These should be submitted in duplicate for review and processing.
4. Immediately following the approval of each project, a Loan Agreement and a No- Arbitrage Certificate must be executed by and between the School Board and the State Board of Education. Copies of this Agreement and Certificate will be mailed from the offices of the State Department of Education to the School Board. All copies of the Agreement and Certificate should be executed by the proper officials designated therein and all copies returned to the State Department of Education.
5. The State Department of Education must be furnished a Certificate of Title prepared and signed by an Attorney for the School Board, if requested. (Blank forms will be provided by the State Department of Education.) Title to school sites should be vested in the School Board and their successors in office. In those cases where title to school property is vested in municipal boards of aldermen, or other such governing authorities of a municipality, a transfer of title to the proper School Board should be effected and such deed properly recorded. In those cases where oil and gas leases are in effect on property purchased for school sites, or where mineral interests are outstanding, it will also be necessary for a non-drilling agreement to be secured and filed with the State Department of Education.
6. Final plans and specifications should then be completed, after the owner and architect/engineer have conferred with officials of the Office of School Building and Transportation of the State Department of Education, and have made a restudy of the plan in order to be sure that all educational and other requirements have been met. Final plans and specifications, including any addenda, must be approved by the Office of School Building and Transportation, the State Board of Health, and other required regulatory Agencies. Architects/engineers should furnish the State Department of Education with two sets of plans and specifications on each project. When such final plans and specifications are approved by the agencies aforesaid, the School Board will be contacted by the State Department of Education to set a bid date. When a bid date has been authorized by the State Department of Education, proper notice to bidders should be published as provided by law (37-47-29, Mississippi Code of 1972). School districts are urged to instruct their architects/engineers to construct bid proposal documents to include every "add alternate" and "deduct alternate"

which may be needed to place the project under contract. Under Mississippi law, there is no provision to "negotiate" a contract.

7. All bids received shall be publicly opened, read and tabulated and the contracts awarded to the lowest and best bidders by the School Board, subject to the approval of the State Board of Education.
8. Following the acceptance of bids, the School Board and/or Architect/Engineer shall submit to the State Department of Education the following:
  - a. Tabulation of all bids received.
  - b. Copy of "Bid Proposal" of lowest bidder.
  - c. Four (4) copies of signed contracts. (Contracts must be signed by the School Board President and the authorized representative of the Contractor.)
  - d. Four (4) copies of "Performance Bonds", with Power of Attorney in the State of Mississippi.
  - e. Letter from Contractor(s) stating that there are no sub-contractors whose work value is in excess of \$50,000.00, or a list of the sub-contractor(s) with their addresses and certificate of responsibility number(s).
  - f. Architect's/Engineer's certification of area under contract.
  - g. Letter from Architect/Engineer stating the percentage of project fees.
  - h. Letter from the School Board as to the availability of funds to complete the entire project.
  - i. Proof of publication of Advertisement for Bids.
9. Payments will be made as follows:
  - a. 60% upon approval of Contract Documents by the State Board of Education.
  - b. 30% upon written certificate from the Architect/Engineer that the project is 50% completed.
  - c. 10% upon completion of the project (including completion of all items noted at the final inspection), approval of final report by the State Board of Education, and except as provided in Section 14 herein.
10. Architect/engineer will supervise and conduct inspections during the course of the project, and will furnish field inspection reports to the owner, contractor, and the State Department of Education, Office of School Building and Transportation. Representatives of the State Department of Education will make as many inspections as necessary for project evaluation.
11. All change orders; including credits granted by the contractor, must be submitted to and approved by the State Board of Education before being carried out. Documentary evidence must be furnished for every change that is made affecting the amount of the contract or the architectural or engineering fees involved, and such changes must be approved by the state Board of education and placed on record in its minutes. The State Board of Education will not approve a reduction in the work to be performed unless adequate evidence is presented that a corresponding reduction in the amount of the contract has been affected. Likewise, the State Board of Education will not approve an increase in the contract amount, unless adequate evidence is provided that there will be a corresponding increase in the work performed. No

change order will be considered by the State Board of Education after final payment has been made.

12. When the building is ready for final inspection, there should be furnished the State Department of Education a certificate from the architect/engineer that the building is substantially completed and ready for final inspection. The architect/engineer will set a time and date acceptable to the State Department of Education, the school board, and the contractor for making the final inspection. A written report of the final inspection shall be made to the State Department of Education by the architect/engineer. The architect/engineer must furnish to the State Department of Education (1) a copy of the "Final Certificate of Payment" A.I.A. Document G-702 (an itemized statement showing all changes in contracts), (2) a certification that all items on the final "punch list" have been completed or corrected, (3) complete documentation of the expenditure of any allowances which were included in the contract, and (4) a copy of all closing documents and warranties as required. When this report is made to the State Board of Education, and when same is approved, the State Board of Education will enter an order in its minutes finally approving and accepting the project.
13. The architect/engineer must furnish to the State Department of Education (1) a copy of the "Final Certificate of Payment" A.I.A. Document G-702 (an itemized statement showing all changes in contracts), (2) a certification that all items on the final "punch list" have been completed or corrected, (3) complete documentation of the expenditure of any allowances which were included in the contract, and (4) a copy of all closing documents and warranties as required. When this report is made to the State Board of Education, and when same is approved, the State Board of Education will enter an order in its minutes finally approving and accepting the project.
14. Prior to receiving the final 10% of loan proceeds, the School Board shall submit to the State Board of Education a certified copy of the records regarding the investment of the loan proceeds which records will reflect (1) that the loan proceeds were segregated in an account separate and apart from other funds of the School Board, (2) the date the loan proceeds were received, (3) the dates the loan proceeds were invested or reinvested, (4) the respective rates of interest in which the loan proceeds were invested or reinvested, and (5) the amounts of investment income received from the investment or reinvestment of the loan proceeds.
15. Upon receipt of those documents and reports listed in 13 and 14 above, payment of the final 10% of state funds will be made, subject however, to the State Board of Education right to deduct certain amounts relating to the rebate to the United States Department of Treasury of certain arbitrage profits, if any, resulting from the investment of loan proceeds by the School Boards.

Source: *Miss. Code Ann. § 37-1-3*