

PART 3 CHAPTER 3: ADMINISTRATIVE EXPENSES REDUCTION

Rule 3.1 *Administrative Expense Reduction.*

In determining the allowance for administration costs for purposes of Miss. Code Ann 37-61-9(4) the amount is limited to an amount not greater One Hundred Fifty Thousand Dollars (\$150,000.00) plus four percent (4%) of the expenditures of all school districts each year.

Administration costs, for purposes of this subsection, 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:

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 which can be demonstrated by the local school board to be an expenditure that results in a net cost savings to the district for functions not covered under the definition of administration cost may be excluded from the limitations imposed. 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.

Regulations:

- 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.
- 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.

Source: *Miss. Code Ann. §37-61-9 (Revised 7/2023)*