

By: Representative McCoy

To: Appropriations

HOUSE BILL NO. 586

1 AN ACT TO PROVIDE THAT IF STATE GENERAL OBLIGATION BONDS ARE
2 ISSUED AFTER JUNE 30, 2001, TO PAY FOR THE COST OF THE NEW
3 CONSTRUCTION OR RENOVATION OF A CAPITAL FACILITY THAT WILL BE
4 OCCUPIED BY ONLY ONE STATE AGENCY AFTER THE CONSTRUCTION OR
5 RENOVATION IS COMPLETED, THE AGENCY MUST INCLUDE IN ITS ANNUAL
6 BUDGET REQUEST THE AMOUNT NEEDED TO PAY THE PRINCIPAL AND INTEREST
7 THAT WILL BE DUE ON THE BONDS DURING THE NEXT FISCAL YEAR, AND THE
8 LEGISLATURE MUST APPROPRIATE TO THE AGENCY SUFFICIENT FUNDS TO PAY
9 THE PRINCIPAL AND INTEREST THAT WILL BE DUE ON THE BONDS DURING
10 THE NEXT FISCAL YEAR; TO PROVIDE THAT THE PRECEDING PROVISION ALSO
11 APPLIES TO STATE UNIVERSITIES AND COMMUNITY COLLEGES; TO PROVIDE
12 THAT IF A CAPITAL FACILITY IS CONSTRUCTED OR RENOVATED FOR A
13 UNIVERSITY OR A COMMUNITY COLLEGE, THE BOARD OF TRUSTEES OF STATE
14 INSTITUTIONS OF HIGHER LEARNING OR THE STATE BOARD FOR COMMUNITY
15 AND JUNIOR COLLEGES, AS APPROPRIATE, MUST INCLUDE THE AMOUNT OF
16 THE PRINCIPAL AND INTEREST THAT WILL BE DUE ON THE BONDS IN THE
17 ANNUAL BUDGET REQUEST OF THE BOARD ON BEHALF OF THAT UNIVERSITY OR
18 COMMUNITY COLLEGE, AND THE LEGISLATURE MUST APPROPRIATE ANNUALLY
19 TO THE BOARD SUFFICIENT FUNDS TO PAY THE PRINCIPAL AND INTEREST
20 THAT WILL BE DUE ON THE BONDS ON BEHALF OF THAT UNIVERSITY OR
21 COMMUNITY COLLEGE; TO REQUIRE STATE AGENCIES TO WHICH FUNDS ARE
22 APPROPRIATED UNDER THE PROVISIONS OF THIS ACT FOR PAYMENT OF THE
23 PRINCIPAL AND INTEREST DUE ON BONDS TO TRANSFER THE FUNDS TO THE
24 STATE TREASURER WHEN REQUESTED FOR PAYMENT OF THAT PRINCIPAL AND
25 INTEREST; TO AMEND SECTIONS 27-103-123, 27-103-127 AND 27-103-129,
26 MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING PROVISIONS;
27 AND FOR RELATED PURPOSES.

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

29 SECTION 1. (1) For the purposes of this section, the term
30 "state agency" will have the meaning as defined under Section
31 27-103-103, and also includes state institutions of higher
32 learning and public community and junior colleges.

33 (2) If state general obligation bonds are issued after June
34 30, 2001, to pay for all or part of the cost of the new
35 construction of a capital facility or the renovation of an
36 existing capital facility that will be occupied by only one (1)
37 state agency after the construction or renovation is completed:

38 (a) The state agency that occupies or will occupy the
39 facility shall include in its annual budget request, in a separate



40 line item, the amount needed to pay the principal and interest
41 that will be due during the next fiscal year on the portion of
42 those bonds that is attributable to the cost of the construction
43 or renovation of the capital facility, beginning with the budget
44 request for the first fiscal year in which principal and interest
45 on those bonds will be due and each fiscal year thereafter until
46 the principal and interest on those bonds are fully paid; and

47 (b) The Legislature shall include in the annual
48 appropriation to the state agency that occupies or will occupy the
49 facility, in a separate line item, sufficient funds to pay the
50 principal and interest that will be due during the next fiscal
51 year on the portion of those bonds that is attributable to the
52 cost of the construction or renovation of the capital facility,
53 beginning with the appropriation for the first fiscal year in
54 which principal and interest on those bonds will be due and each
55 fiscal year thereafter until the principal and interest on those
56 bonds are fully paid.

57 (3) (a) If a capital facility is constructed or renovated
58 for an institution of higher learning, the Board of Trustees of
59 State Institutions of Higher Learning shall include the amount of
60 the principal and interest described in subsection (2) (a) in the
61 annual budget request of the board of trustees on behalf of that
62 institution of higher learning, and the Legislature shall
63 appropriate annually to the Board of Trustees of State
64 Institutions of Higher Learning sufficient funds to pay the
65 principal and interest described in (2) (b) on behalf of that
66 institution of higher learning.

67 (b) If a capital facility is constructed or renovated
68 for a community or junior college, the State Board for Community
69 and Junior Colleges shall include the amount of the principal and
70 interest described in subsection (2) (a) in the annual budget
71 request of the board on behalf of that community or junior
72 college, and the Legislature shall appropriate annually to the



73 State Board for Community and Junior Colleges sufficient funds to
74 pay the principal and interest described in (2)(b) on behalf of
75 that community or junior college.

76 (4) Any state agency to which funds are appropriated under
77 the provisions of this section for payment of the principal and
78 interest due on state general obligation bonds shall transfer the
79 funds, together with any interest earned on those funds, to the
80 State Treasurer when requested by the Treasurer for payment of the
81 principal and interest for which the funds were appropriated.

82 SECTION 2. Section 27-103-123, Mississippi Code of 1972, is
83 amended as follows:

84 27-103-123. Part 1 of the overall budget shall include
85 therein the requested budget and the recommended budget for each
86 general fund agency and the proposed revenue by means of which the
87 recommended appropriations can be met.

88 The overall budget shall show, for each general fund agency,
89 in addition to such other information as may be prescribed by the
90 Legislative Budget Office, the following:

91 (a) The amount appropriated from the General Fund for
92 the current fiscal year, all special funds receipts already
93 collected and available in the current fiscal year, and an
94 estimate of all special funds which will be collected, or
95 otherwise will become available, by the end of the then current
96 fiscal year;

97 (b) The estimated amount of all expenditures to be made
98 or obligations to be incurred payable from general or special
99 funds during the then current fiscal year;

100 (c) The estimated aggregate amount of funds which will
101 be needed by the agency for the succeeding fiscal year * * *.

102 (i) If any services proposed to be provided by the
103 agency in the succeeding fiscal year are Medicaid reimbursable,
104 any state general matching funds necessary for such reimbursements
105 shall be included in the agency's proposed budget * * *.



106 (ii) If the agency is required under Section 1 of
107 this act to pay the principal and interest due on state general
108 obligation bonds that were issued to pay for the construction or
109 renovation of a capital facility for the agency, sufficient funds
110 to pay the principal and interest that will be due on those bonds
111 during the next fiscal year shall be included in the agency's
112 proposed budget;

113 (d) The estimated aggregate amount of special funds, if
114 any, which will be available during the succeeding fiscal year,
115 including any balances which will be on hand at the close of the
116 then current fiscal year;

117 (e) The estimated amount which will be needed and which
118 will require change in existing law or laws;

119 (f) If any new item of expense is included in the
120 proposed budget of any general fund agency, the reason therefor
121 shall be given; and in any case where the Legislative Budget
122 Office shall eliminate or reduce any item or items in the budget
123 request of any general fund agency, it shall note briefly the
124 reasons therefor, together with the reasons advanced by the agency
125 in support of the item or items eliminated or reduced.

126 SECTION 3. Section 27-103-127, Mississippi Code of 1972, is
127 amended as follows:

128 27-103-127. To the end that the overall budget shall present
129 in comparable terms a complete summary of all financial operations
130 of all state agencies, Part 2 of the overall budget shall include
131 therein the requested budget and the recommended budget for each
132 special fund agency. The overall budget shall show for each
133 special fund agency, in addition to such other information as may
134 be prescribed by the Legislative Budget Office, the following:

135 (a) The amount by source of all special fund receipts
136 collected or otherwise available in the current fiscal year, and
137 an estimate by source of all special funds which will be collected
138 or become available by the end of the then current fiscal year;



139 (b) The estimated amount of all expenditures to be made
140 or obligations to be incurred payable from such special funds
141 during the then current fiscal year;

142 (c) The estimated aggregate amount of special funds
143 which will be needed by the agency for the succeeding fiscal
144 year * * *.

145 (i) If any services proposed to be provided by the
146 agency in the succeeding fiscal year are Medicaid reimbursable,
147 any state general matching funds necessary for such reimbursement
148 shall be included in the agency's proposed budget * * *.

149 (ii) If the agency is required under Section 1 of
150 this act to pay the principal and interest due on state general
151 obligation bonds that were issued to pay for the construction or
152 renovation of a capital facility for the agency, sufficient funds
153 to pay the principal and interest that will be due on those bonds
154 during the next fiscal year shall be included in the agency's
155 proposed budget;

156 (d) The estimated amount by source of special funds
157 which will be available under existing laws during the succeeding
158 fiscal year, including any balances which will be on hand at the
159 close of the then current fiscal year;

160 (e) The estimated amount which will be needed and which
161 will require change in existing law or laws;

162 (f) If any new item of expense is included in the
163 proposed budget of any special fund agency, the reason therefor
164 shall be given; and in any case where the Legislative Budget
165 Office shall eliminate or reduce any item or items in the proposed
166 budget of any special fund agency, it shall note briefly the
167 reasons therefor, together with the reasons advanced by the agency
168 in support of the item or items eliminated or reduced;

169 (g) The proposed budget of each special fund agency
170 shall show the amounts required for operating expenses separately
171 from the amounts required for permanent improvements.



172 Proposed expenditures for any agency in Part 2 of the overall
173 budget shall not exceed the amount of estimated revenues which
174 will be available to it. However, the Legislative Budget Office
175 may recommend changes in existing law so as to decrease or
176 increase the revenues available to any agency if in its judgment
177 such changes are necessary or desirable.

178 * * * Expenditures approved or authorized by the Legislature
179 for any special fund agency or special funds approved for general
180 fund agency shall constitute a maximum to be expended or
181 encumbered by such agency, and shall not constitute authority to
182 expend or encumber more than the amount of revenue actually
183 collected or otherwise received.

184 No special fund agency or general fund agency shall make
185 expenditures from special funds available to such agency unless
186 such expenditures are set forth in a budget approved by the
187 Legislature. Such legislative approval shall be set forth in an
188 appropriation act. * * * However, * * * special funds derived
189 from the collection of taxes for any political subdivision of the
190 state shall be excepted from the foregoing provisions. The
191 executive head of the state agency shall be liable on his official
192 bond for expenditures or encumbrances which exceed the total
193 amount of the budget or the amount received if receipts are less
194 than the approved budget.

195 * * * Each university and college shall submit through the
196 Board of Trustees of State Institutions of Higher Learning an
197 annual budget to the Legislative Budget Office prior to the
198 beginning of each fiscal year with such information and in such
199 form, and in such detail, as may be required by the Legislative
200 Budget Office. If state general obligation bonds were issued to
201 pay for the construction or renovation of a capital facility for a
202 university or college and the Board of Trustees of State
203 Institutions of Higher Learning is required under Section 1 of
204 this act to pay the principal and interest due on those bonds on



205 behalf of that university or college, the university or college,
206 in its proposed annual budget submitted through the board of
207 trustees, shall include the amount needed to pay the principal and
208 interest that will be due on those bonds during the next fiscal
209 year. If the Legislative Budget Office determines that sufficient
210 funds will be available during the fiscal year to fund the
211 proposed budget as submitted, then and in that event the proposed
212 budget shall be approved. However, if the Legislative Budget
213 Office determines that, in its judgment, sufficient funds will not
214 be available to fund the proposed budget, the affected institution
215 or institutions and the Board of Trustees of State Institutions of
216 Higher Learning shall be promptly notified and given an
217 opportunity to either justify the proposed budget or proposed
218 amendments which can be mutually agreed upon. The Legislative
219 Budget Office shall then approve the proposed budget or budgets of
220 the several universities and colleges. The total amount approved
221 for each institution shall constitute the maximum funds which may
222 be expended during the fiscal year.

223 The municipal, county or combined municipal and county port
224 and harbor commissions, authorities or other port or harbor
225 agencies not owned or operated by the state, shall submit annual
226 or amended budgets of their estimated receipts and expenditures to
227 the governing bodies of such municipality, county or municipality
228 and county, for their approval, and a copy of such budget as
229 approved by such governing body or bodies shall be filed with the
230 Legislative Budget Office. Such budget shall itemize all
231 estimated receipts and expenditures, and the Legislative Budget
232 Office may require particularization, explanation or audit
233 thereof, and shall report such information to the Legislature.

234 To the end that the overall budget shall present in
235 comparable terms a complete summary of all financial operations of
236 all state agencies, Part 3 of such overall budget shall consist of
237 an estimated preliminary annual budget of the Department of



238 Transportation and the Division of State Aid Road Construction of
239 the Department of Transportation and such information for the
240 current fiscal year as is necessary to make presentation
241 comparable to that specified for Part 2 special fund agencies.

242 The annual budget request of the Department of Transportation
243 shall be divided into the following program budgets: (a)
244 administration and other expenses, (b) construction, (c)
245 maintenance, and (d) debt service. In making its annual
246 appropriation to the Department of Transportation from the State
247 Highway Fund, the Legislature shall separate the appropriation
248 bill into the four (4) program budget areas herein specified. For
249 the purposes of this paragraph, "administration and other
250 expenses" shall be construed to mean those expenses incurred due
251 to departmental support activities which cannot be assigned to a
252 specific construction or maintenance project, and shall be
253 construed to include expenses incurred for office machines,
254 furniture, fixtures, automobiles, station wagons, truck and other
255 vehicles, road machinery, farm equipment and other working
256 equipment, data processing and computer equipment, all other
257 equipment, and replacements for equipment. "Construction" shall
258 be construed to mean those expenses associated with the creation
259 and development of the state highway system and its related
260 facilities; "maintenance" shall be construed to mean those
261 expenses incurred due to activities associated with preservation
262 of safe and aesthetically acceptable highways in an attempt to
263 maintain them in as close to the original condition as possible;
264 and "debt service" shall be construed to mean amounts needed to
265 pay bonds and interest coming due, bank service charges, and bond
266 debt service.

267 SECTION 4. Section 27-103-129, Mississippi Code of 1972, is
268 amended as follows:

269 27-103-129. (1) To enable the Legislative Budget Office to
270 prepare the overall budget, it shall have full and plenary power



271 and authority to require all general-fund and special-fund
272 agencies and the Mississippi Department of Transportation and the
273 Division of State Aid Road Construction of the Mississippi
274 Department of Transportation to file a budget request with such
275 information and in such form and in such detail as it may deem
276 necessary and advisable. The Legislative Budget Office shall have
277 the further power and authority to reduce or eliminate any item or
278 items of requested appropriation by any state agency in the
279 Legislative Budget Office's recommended budget to the Legislature.
280 However, where any item of requested appropriation shall be so
281 reduced or eliminated, the head of the agency involved shall have
282 the right to appear before the appropriate legislative committee
283 to urge a revision of the budget to restore the item reduced or
284 eliminated. * * *

285 (2) The budget requests shall include a definition of the
286 mission of the agency, a description of the duties and
287 responsibilities of the agency, financial data relative to the
288 various programs operated by the agency and performance measures
289 associated with each program of the agency. The performance
290 measures to be contained within the agency budget request shall be
291 developed by cooperative efforts of the Legislative Budget Office,
292 the Department of Finance and Administration and the agency itself
293 and shall be approved jointly by the Legislative Budget Office and
294 the Department of Finance and Administration prior to inclusion
295 within the agency budget request. * * *

296 (3) The budget requests shall also include in an addendum
297 format a five-year strategic plan for the agency which shall
298 include, but not be limited to, the following items of
299 information: (a) a comprehensive mission statement, (b)
300 performance effectiveness objectives for each program of the
301 agency for each of the five (5) years covered by the plan, (c) a
302 description of significant external factors which may affect the
303 projected levels of performance, (d) a description of the agency's



304 internal management system utilized to evaluate its performance
305 achievements in relationship to the targeted performance levels,
306 (e) an evaluation by the agency of the agency's performance
307 achievements in relationship to the targeted performance levels
308 for the two (2) preceding fiscal years for which accounting
309 records have been finalized.

310 (4) If an agency is required under Section 1 of this act to
311 pay the principal and interest due on state general obligation
312 bonds that were issued to pay for the construction or renovation
313 of a capital facility for the agency, the agency's budget request
314 also shall include, in a separate line item, the amount needed to
315 pay the principal and interest that will be due on the bonds
316 during the next fiscal year.

317 SECTION 5. This act shall take effect and be in force from
318 and after July 1, 2001.

