To: Appropriations

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2001

By: Representative McCoy

HOUSE BILL NO. 586

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

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

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

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

(a) The state agency that occupies or will occupy the
facility shall include in its annual budget request, in a separate
line item, the amount needed to pay the principal and interest
that will be due during the next fiscal year on the portion of
those bonds that is attributable to the cost of the construction
or renovation of the capital facility, beginning with the budget
request for the first fiscal year in which principal and interest
on those bonds will be due and each fiscal year thereafter until
the principal and interest on those bonds are fully paid; and

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

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

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

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

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

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

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

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

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

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

(i) If any services proposed to be provided by the agency in the succeeding fiscal year are Medicaid reimbursable, any state general matching funds necessary for such reimbursements shall be included in the agency's proposed budget.
(ii) If the agency is required under Section 1 of this act to pay the principal and interest due on state general obligation bonds that were issued to pay for the construction or renovation of a capital facility for the agency, sufficient funds to pay the principal and interest that will be due on those bonds during the next fiscal year shall be included in the agency's proposed budget;

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

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

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

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

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

(a) The amount by source of all special fund receipts collected or otherwise available in the current fiscal year, and an estimate by source of all special funds which will be collected or become available by the end of the then current fiscal year;
(b) The estimated amount of all expenditures to be made or obligations to be incurred payable from such special funds during the then current fiscal year;

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

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

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

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

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

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

(g) The proposed budget of each special fund agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements.
Proposed expenditures for any agency in Part 2 of the overall budget shall not exceed the amount of estimated revenues which will be available to it. However, the Legislative Budget Office may recommend changes in existing law so as to decrease or increase the revenues available to any agency if in its judgment such changes are necessary or desirable.

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

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

* * * Each university and college shall submit through the Board of Trustees of State Institutions of Higher Learning an annual budget to the Legislative Budget Office prior to the beginning of each fiscal year with such information and in such form, and in such detail, as may be required by the Legislative Budget Office. If state general obligation bonds were issued to pay for the construction or renovation of a capital facility for a university or college and the Board of Trustees of State Institutions of Higher Learning is required under Section 1 of this act to pay the principal and interest due on those bonds on
behalf of that university or college, the university or college, in its proposed annual budget submitted through the board of trustees, shall include the amount needed to pay the principal and interest that will be due on those bonds during the next fiscal year. If the Legislative Budget Office determines that sufficient funds will be available during the fiscal year to fund the proposed budget as submitted, then and in that event the proposed budget shall be approved. However, if the Legislative Budget Office determines that, in its judgment, sufficient funds will not be available to fund the proposed budget, the affected institution or institutions and the Board of Trustees of State Institutions of Higher Learning shall be promptly notified and given an opportunity to either justify the proposed budget or proposed amendments which can be mutually agreed upon. The Legislative Budget Office shall then approve the proposed budget or budgets of the several universities and colleges. The total amount approved for each institution shall constitute the maximum funds which may be expended during the fiscal year.

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

To the end that the overall budget shall present in comparable terms a complete summary of all financial operations of all state agencies, Part 3 of such overall budget shall consist of an estimated preliminary annual budget of the Department of
Transportation and the Division of State Aid Road Construction of
the Department of Transportation and such information for the
current fiscal year as is necessary to make presentation
comparable to that specified for Part 2 special fund agencies.

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

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

27-103-129. (1) To enable the Legislative Budget Office to
prepare the overall budget, it shall have full and plenary power
and authority to require all general-fund and special-fund agencies and the Mississippi Department of Transportation and the Division of State Aid Road Construction of the Mississippi Department of Transportation to file a budget request with such information and in such form and in such detail as it may deem necessary and advisable. The Legislative Budget Office shall have the further power and authority to reduce or eliminate any item or items of requested appropriation by any state agency in the Legislative Budget Office's recommended budget to the Legislature. However, where any item of requested appropriation shall be so reduced or eliminated, the head of the agency involved shall have the right to appear before the appropriate legislative committee to urge a revision of the budget to restore the item reduced or eliminated.

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

(3) The budget requests shall also include in an addendum format a five-year strategic plan for the agency which shall include, but not be limited to, the following items of information: (a) a comprehensive mission statement, (b) performance effectiveness objectives for each program of the agency for each of the five (5) years covered by the plan, (c) a description of significant external factors which may affect the projected levels of performance, (d) a description of the agency's...
internal management system utilized to evaluate its performance achievements in relationship to the targeted performance levels, (e) an evaluation by the agency of the agency's performance achievements in relationship to the targeted performance levels for the two (2) preceding fiscal years for which accounting records have been finalized.

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

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