

By: Senator(s) Jackson

To: Appropriations

SENATE BILL NO. 2565

1 AN ACT TO PROVIDE FOR THE TRANSFER OF A CERTAIN AMOUNT OF
 2 FUNDS FROM THE WORKING CASH-STABILIZATION RESERVE FUND TO THE
 3 STATE AGENCY REPAIR AND RENOVATION FUND, THE INSTITUTIONS OF
 4 HIGHER LEARNING REPAIR AND RENOVATION FUND AND THE COMMUNITY
 5 COLLEGE REPAIR AND RENOVATION FUND; TO AMEND SECTION 27-103-203,
 6 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT UNDER CERTAIN
 7 CIRCUMSTANCES A CERTAIN AMOUNT OF UNENCUMBERED CASH IN THE GENERAL
 8 FUND SHALL BE TRANSFERRED TO THE REPAIR AND RENOVATION FUNDS; TO
 9 AMEND SECTIONS 27-103-125 AND 27-103-139, MISSISSIPPI CODE OF
 10 1972, TO PROVIDE THAT FOR THE PURPOSE OF THE FORMULATION OF A
 11 BALANCED BUDGET FOR THE STATE, THE UNENCUMBERED BALANCES IN
 12 GENERAL FUNDS THAT WILL BE AVAILABLE AT THE CLOSE OF THE FISCAL
 13 YEAR SHALL NOT INCLUDE PROJECTED AMOUNTS REQUIRED TO BE DEPOSITED
 14 INTO THE REPAIR AND RENOVATION FUND; AND FOR RELATED PURPOSES.

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

16 SECTION 1. On October 15, 2001, any balances in excess of
 17 Two Hundred Million Dollars (\$200,000,000.00) in the Working
 18 Cash-Stabilization Reserve Fund created pursuant to Section
 19 27-103-203, Mississippi Code of 1972, shall be transferred by the
 20 State Treasurer as follows:

21 (a) Fifty percent (50%) to the State Agency Repair and
 22 Renovation Fund created pursuant to Section 29-17-4, Mississippi
 23 Code of 1972;

24 (b) Twenty-five percent (25%) to the Institutions of
 25 Higher Learning Repair and Renovation Fund created pursuant to
 26 Section 37-101-81, Mississippi Code of 1972; and

27 (c) Twenty-five percent (25%) to the Community College
 28 Repair and Renovation Fund created pursuant to Section 37-29-268,
 29 Mississippi Code of 1972.

30 SECTION 2. Section 27-103-203, Mississippi Code of 1972, is
 31 amended as follows:

32 27-103-203. (1) (a) There is created in the State Treasury
33 a special fund, separate and apart from any other fund, to be
34 designated the Working Cash-Stabilization Reserve Fund, * * *

35 (b) There shall be deposited into the Working
36 Cash-Stabilization Reserve Fund one hundred percent (100%) of the
37 unencumbered General Fund cash balance at the close of each fiscal
38 year until such time as the balance in the fund reaches Forty
39 Million Dollars (\$40,000,000.00).

40 (c) Except as otherwise provided in paragraph (d) of
41 this subsection (1), after the balance in the fund reaches Forty
42 Million Dollars (\$40,000,000.00), fifty percent (50%) of the
43 unencumbered General Fund cash balance at the close of each fiscal
44 year, not to exceed Two Hundred Million Dollars
45 (\$200,000,000.00) * * *, shall be deposited into the fund. The
46 remainder of the year-end unencumbered cash after transfer to the
47 Working Cash-Stabilization Reserve Fund shall remain in the
48 General Fund * * *. In the event that the balance of the Working
49 Cash-Stabilization Reserve Fund reaches Two Hundred Million
50 Dollars (\$200,000,000.00) * * *, fifty percent (50%) of the
51 unencumbered General Fund cash balance shall be transferred into
52 the Education Enhancement Fund and the remainder shall remain in
53 the General Fund; provided, however, that if the remainder is in
54 excess of Thirty Million Dollars (\$30,000,000.00), fifty percent
55 (50%) of such remainder, not to exceed Twenty Million Dollars
56 (\$20,000,000.00), shall remain in the General Fund, and the rest
57 of such remainder, not to exceed Twenty Million Dollars
58 (\$20,000,000.00), shall be transferred as follows:

59 (i) Fifty percent (50%) to the State Agency Repair
60 and Renovation Fund created pursuant to Section 29-17-4;

61 (ii) Twenty-five percent (25%) to the Institutions
62 of Higher Learning Repair and Renovation Fund created pursuant to
63 Section 37-101-81; and

64 (iii) Twenty-five percent (25%) to the Community
65 College Repair and Renovation Fund created pursuant to Section
66 37-29-268.

67 Any remaining General Fund cash balance shall remain in the
68 General Fund. Unencumbered cash in the General Fund may be used
69 for new year cash flow needs and may also be used for deficit
70 appropriations or regular appropriations.

71 (2) The Working Cash-Stabilization Reserve Fund shall not be
72 considered as a surplus or available funds when adopting a
73 balanced budget as required by law. The State Treasurer shall
74 invest all sums in the Working Cash-Stabilization Reserve Fund not
75 needed for the purposes provided for in this section in
76 certificates of deposit, repurchase agreements and other
77 securities as authorized in Sections 27-105-33(d) or 7-9-103, as
78 the State Treasurer may determine to yield the highest market rate
79 available. The interest earned on such sums shall be deposited in
80 the fund until the balance of principal and interest therein
81 reaches Two Hundred Million Dollars (\$200,000,000.00) * * * for
82 the current fiscal year, and all interest earned in excess of
83 amounts necessary to maintain the Two Hundred Million Dollar
84 (\$200,000,000.00) fund balance requirement shall be deposited by
85 the State Treasurer into the State General Fund.

86 (3) The Working Cash-Stabilization Reserve Fund, except for
87 Nineteen Million Dollars (\$19,000,000.00) and the amount of the
88 interest and income earned on the principal of the Ayers Endowment
89 Trust created by Section 37-101-27, shall be used by the State
90 Treasurer for cash flow needs throughout the year when the
91 Executive Director of the Department of Finance and Administration
92 certifies that in his opinion there will be cash flow deficiencies
93 in the State General Fund. No borrowing of monies from other
94 special funds for such purposes as authorized by Section 31-17-101
95 et seq. shall be made as long as an unencumbered balance in excess
96 of Nineteen Million Dollars (\$19,000,000.00) and the interest and

97 income earned on the principal of the Ayers Endowment Trust
98 created by Section 37-101-27 remains in the fund. The State
99 Treasurer shall reimburse the fund for all sums borrowed for such
100 purposes from General Fund revenues collected during the fiscal
101 year in which such funds are used. The State Treasurer shall
102 immediately notify the Legislative Budget Office and the State
103 Department of Finance and Administration of each transfer into and
104 out of such fund. Four Million Dollars (\$4,000,000.00) in the
105 Working Cash-Stabilization Reserve Fund shall remain available for
106 use pursuant to Section 27-103-81. Fifteen Million Dollars
107 (\$15,000,000.00) in the Working Cash-Stabilization Reserve Fund
108 shall remain available for exclusive use of the Ayers Endowment
109 Trust created by Section 37-101-27.

110 (4) The Working Cash-Stabilization Reserve Fund, except for
111 Forty Million Dollars (\$40,000,000.00), shall also be used for the
112 purpose of covering any projected deficits that may occur in the
113 General Fund at the end of a fiscal year as a result of revenue
114 shortfalls. In the event the Governor determines that a deficit
115 in revenues from all sources may occur, it shall be the duty of
116 the Executive Director of the Department of Finance and
117 Administration to transfer such funds as necessary to the General
118 Fund to alleviate the deficit in accordance with Sections
119 27-104-13 and 31-17-123; however, not more than Fifty Million
120 Dollars (\$50,000,000.00) may be transferred from the fund for such
121 purpose in any one (1) fiscal year. In the event it becomes
122 necessary to apply a part of the fund to this purpose, the amount
123 so applied shall be restored to the Working Cash-Stabilization
124 Reserve Fund out of future annual surpluses, as provided in
125 subsection (1) of this section, until the Two Hundred Million
126 Dollar (\$200,000,000.00) fund balance is again attained.

127 (5) The Working Cash-Stabilization Reserve Fund also shall
128 be used to provide funds for the Disaster Assistance Trust Fund
129 when such funds are immediately needed to provide for disaster

130 assistance under Sections 33-15-103 through 33-15-317. Any
131 transfer of funds from the Working Cash-Stabilization Reserve Fund
132 to the Disaster Assistance Trust Fund shall be made in accordance
133 with the provisions of subsection (5) of Section 33-15-307.

134 (6) The Department of Finance and Administration shall
135 immediately send notice of any transfers made, or other action
136 taken under authority of this section, to the Legislative Budget
137 Office.

138 (7) Funds deposited in the Working Cash-Stabilization
139 Reserve Fund shall be used only for the purposes specified in this
140 section and as long as the provisions of this section remain in
141 effect, no other expenditure, appropriation or transfer of funds
142 in the Working Cash-Stabilization Reserve Fund shall be made
143 except by act of the Legislature making specific reference to the
144 Working Cash-Stabilization Reserve Fund as the source of such
145 funds.

146 SECTION 3. Section 27-103-125, Mississippi Code of 1972, is
147 amended as follows:

148 27-103-125. The proposed budget of each state agency shall
149 show the amounts required for operating expenses separately from
150 the amounts required for permanent improvements. The overall
151 budget shall show, separately by each source, the estimated amount
152 of general fund revenue and of special fund revenues of general
153 fund agencies. The total proposed expenditures in Part 1 of the
154 overall budget shall not exceed the amount of estimated revenues
155 which will be available in the general and special funds for
156 appropriation or use during the succeeding fiscal year, including
157 any balances which will be on hand in the general and special
158 funds at the close of the then current fiscal year. Beginning
159 with the budget for fiscal year 1994, the total proposed
160 expenditures from the General Fund in Part 1 of the overall budget
161 shall not exceed ninety-eight percent (98%) of the amount of
162 General Fund revenue estimate for the succeeding fiscal year, plus

163 any unencumbered balances in general funds that will be available
164 and on hand at the close of the then current fiscal year. The
165 General Fund revenue estimate shall be the estimate jointly
166 adopted by the Governor and the Joint Legislative Budget
167 Committee. Unencumbered balances in general funds that will be
168 available and on hand at the close of the current fiscal year
169 shall not include projected amounts required to be deposited into
170 the Working Cash-Stabilization Reserve Fund, the Institutions of
171 Higher Learning Repair and Renovation Fund, the Community College
172 Repair and Renovation Fund, the State Agency Repair and Renovation
173 Fund and the Education Enhancement Fund pursuant to Section
174 27-103-203. The Legislative Budget Office may recommend
175 additional taxes or sources of revenue if in its judgment such
176 additional funds are necessary to adequately support the functions
177 of the state government.

178 SECTION 4. Section 27-103-139, Mississippi Code of 1972, is
179 amended as follows:

180 27-103-139. On or before November 15 preceding each regular
181 session of the Legislature, except the first regular session of a
182 new term of office, the Governor shall submit to the members of
183 the Legislature, the Legislative Budget Office or the
184 members-elect, as the case may be, and to the executive head of
185 each state agency a balanced budget for the succeeding fiscal
186 year. Beginning with the 1996 fiscal year, the budget submitted
187 shall be prepared in a format which will include performance
188 measurement data associated with the various programs operated by
189 each agency. The total proposed expenditures in the balanced
190 budget shall not exceed the amount of estimated revenues that will
191 be available for appropriation or use during the succeeding fiscal
192 year, including any balances that will be on hand at the close of
193 the then current fiscal year, as determined by the revenue
194 estimate jointly adopted by the Governor and the Legislative
195 Budget Committee. Beginning with the budget for Fiscal Year 1994,

196 the total proposed expenditures from the General Fund in the
197 balanced budget shall not exceed ninety-eight percent (98%) of the
198 amount of General Fund revenue estimate for the succeeding fiscal
199 year, plus any unencumbered balances in general funds that will be
200 available and on hand at the close of the then current fiscal
201 year. The General Fund revenue estimate shall be the estimate
202 jointly adopted by the Governor and the Joint Legislative Budget
203 Committee. Unencumbered balances in general funds that will be
204 available and on hand at the close of the fiscal year shall not
205 include projected amounts required to be deposited into the
206 Working Cash-Stabilization Reserve Fund, the Institutions of
207 Higher Learning Repair and Renovation Fund, the Community College
208 Repair and Renovation Fund, the State Agency Repair and Renovation
209 Fund and the Education Enhancement Fund pursuant to Section
210 27-103-203.

211 The revenues used in preparing the balanced budget shall be
212 only those revenues that will be available under the general laws
213 of the state as they exist when the balanced budget is prepared,
214 and shall not include any proposed revenues that would become
215 available only after the enactment of new legislation. If the
216 Governor has any recommendations for additional proposed
217 expenditures or proposed revenues that are not included in his
218 balanced budget, he shall submit those recommendations in a
219 supplement that is separate from his balanced budget, and whenever
220 the Governor recommends any such additional proposed expenditures,
221 he also shall recommend proposed revenues that are sufficient to
222 fund the additional proposed expenditures, providing specific
223 details regarding the sources and the total amount of those
224 proposed revenues.

225 The Governor may employ a budget officer for the purpose of
226 receiving information from the State Fiscal Officer and preparing
227 his recommendations on the budget. In the event the Governor
228 determines that information received from the State Fiscal Officer

229 is not sufficient to enable him to prepare his budget
230 recommendations, he may request an appropriation from the
231 Legislature to provide additional staff within the Governor's
232 Office for such purpose. At the first regular session after his
233 election for Governor, the Governor shall submit any budget
234 recommendations plus the required revenue source recommendations
235 no later than January 31 of such year. The Governor shall work
236 with the Legislative Budget Office to design a format whereby the
237 legislative and executive budget recommendations can be published
238 as one (1) report. The recommendations shall be published
239 together in one (1) report beginning with the recommendations for
240 the fiscal year beginning July 1, 1987.

241 SECTION 5. This act shall take effect and be in force from
242 and after October 15, 2001.