

By: Representative Brown

To: Appropriations

HOUSE BILL NO. 345

1 AN ACT TO PROHIBIT ANY AGENCY, BOARD, COMMISSION, DEPARTMENT,
 2 OR INSTITUTION OF THE STATE OF MISSISSIPPI FROM PURCHASING NEW
 3 EQUIPMENT, HIRING NEW EMPLOYEES, OR PROMOTING, RECLASSIFYING,
 4 REALLOCATING OR REALIGNING PAY GRADES WITH REGARD TO ANY OF ITS
 5 EMPLOYEES OR JOB POSITIONS, DURING THE CURRENT FISCAL YEAR; TO
 6 ESTABLISH AN APPEAL PROCEDURE TO THE STATE FISCAL OFFICER FOR
 7 EMERGENCY PURCHASES OF EQUIPMENT OR HIRING OF NEW EMPLOYEES; TO
 8 SET FORTH THE DEMONSTRATION OF THE EMERGENCY THAT MUST BE MADE BY
 9 THE AGENCY IN ITS APPEAL; TO PROVIDE THAT THE JOINT LEGISLATIVE
 10 BUDGET COMMITTEE SHALL BE NOTIFIED OF SUCH AN APPEAL AND THAT
 11 COMMITTEE MEMBERS MAY ATTEND THE HEARING ON SUCH AN APPEAL; TO
 12 ALLOW THE STATE FISCAL OFFICER, IN HIS DISCRETION, TO AUTHORIZE
 13 THE ACTION SOUGHT IN THE APPEAL; TO AMEND SECTION 25-9-116,
 14 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO BRING FORWARD
 15 SECTIONS 27-104-13 AND 31-17-123, MISSISSIPPI CODE OF 1972, FOR
 16 PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** (1) Except as otherwise provided in subsection
 19 (2), until June 30, 2002, due to the severe revenue shortfall
 20 during the current fiscal year, the following provisions shall
 21 apply:

22 (a) No state agency is authorized to purchase any
 23 equipment as defined in Section 31-7-1.

24 (b) No state agency is authorized to hire any new
 25 employees, or promote, reclassify, reallocate or realign a pay
 26 grade with regard to any of its employees or job positions. The
 27 State Personnel Board shall immediately suspend all hirings,
 28 promotions, reclassifications, reallocations and pay grade
 29 realignments of employees or job positions in accordance with
 30 Section 25-9-116.

31 (2) If a state agency determines that it is necessary to
 32 purchase any equipment or hire any new employees before July 1,
 33 2002, the agency may appeal to the State Fiscal Officer. The
 34 State Fiscal Officer shall immediately notify the Joint



35 Legislative Budget Committee of the state agency's appeal and the
36 date upon which the State Fiscal Officer will hold a hearing on
37 the appeal. The State Fiscal Officer shall grant a hearing to the
38 state agency on its appeal within fifteen (15) days after notice
39 of the appeal is given to the State Fiscal Officer. The hearing
40 shall not be a public meeting; however, any member of the Joint
41 Legislative Budget Committee may attend the hearing. At the
42 hearing, the state agency must demonstrate to the satisfaction of
43 the State Fiscal Officer that a serious emergency exists of such
44 magnitude that the essential mission of the agency cannot be
45 carried out without the immediate purchase of the equipment or the
46 hiring of the new employees. If the state agency makes the
47 demonstration required by this subsection, the State Fiscal
48 Officer, in his discretion, may authorize the agency to purchase
49 some or all of the equipment or hire some or all of the new
50 employees requested by the agency.

51 (3) The provisions of this section apply to every state
52 agency, including state agencies that do not receive or expend any
53 monies from the State General Fund.

54 (4) For purposes of this section, the term "state agency"
55 means any agency, board, commission, department or institution of
56 the State of Mississippi.

57 **SECTION 2.** Section 25-9-116, Mississippi Code of 1972, is
58 amended as follows:

59 **[Through June 30, 2002, this section will read as follows:]**

60 25-9-116. * * * The State Personnel Board shall institute an
61 immediate suspension of all hirings, promotions,
62 reclassifications, reallocations and pay grade realignments * * *.

63 **[From and after July 1, 2002, this section will read as**
64 **follows:]**

65 25-9-116. Upon recommendation of the State Fiscal Officer,
66 after a determination that the state revenue and expenditure
67 requires such action the State Personnel Board may institute an



68 immediate suspension of all hirings, promotions,
69 reclassifications, reallocations and pay grade realignments until
70 such time as the State Fiscal Officer shall recommend that such
71 action is no longer required.

72 **SECTION 3.** Section 27-104-13, Mississippi Code of 1972, is
73 brought forward as follows:

74 27-104-13. The State Fiscal Officer shall have the right to
75 disapprove or reduce and revise such estimates of general funds
76 and state-source special funds for any General Fund or special
77 fund agency, and for the "administration and other expenses"
78 budget of the State Highway Department, in an amount not to exceed
79 five percent (5%) if he finds that funds will not be available
80 within the period for which the budget is drawn, or if he finds
81 that the requested expenditures, or any part thereof, are not
82 authorized by law, and such action shall be reported to the
83 Legislative Budget Office. The State Fiscal Officer may, upon his
84 determination of need based upon a finding that funds will not be
85 available within the period for which the budget is drawn,
86 transfer funds as provided in Section 27-103-203, from the Working
87 Cash-Stabilization Reserve Fund to the General Fund to supplement
88 the General Fund revenue. In the event that the estimates of
89 general funds and state-source special funds of all General Fund
90 and special fund agencies, and of the "administration and other
91 expenses" budget of the State Highway Department, have been
92 reduced by five percent (5%), additional reductions may be made
93 but shall consist of a uniform percentage reduction of general
94 funds and state-source special funds to all General Fund and
95 special fund agencies, and to the "administration and other
96 expenses" budget of the State Highway Department. Any
97 state-source special funds reduced under the provisions of this
98 section shall be transferred to the State General Fund upon
99 requisitions for warrants signed by the respective agency head and



100 said transfer shall be made within a reasonable period to be
101 determined by the State Fiscal Officer.

102 For the purpose of this section, "state-source special funds"
103 shall be construed to mean any special funds in any agency derived
104 from any source, but shall not include the following special
105 funds: special funds derived from federal sources, from local or
106 regional political subdivisions, or from donations; special funds
107 held in a fiduciary capacity for the benefit of specific persons
108 or classes of persons; self-generated special funds of the State
109 Institutions of Higher Learning or the state junior colleges;
110 special funds of Mississippi Industries for the Blind, the State
111 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
112 District, Pearl River Basin Development District, Pearl River
113 Valley Water Management District, Tombigbee River Valley Water
114 Management District, Yellow Creek Watershed Authority, or Coast
115 Coliseum Commission; special funds of the Department of Wildlife,
116 Fisheries and Parks derived from the issuance of hunting or
117 fishing licenses; and special funds generated by agencies whose
118 primary function includes the establishment of standards and the
119 issuance of licenses for the practice of a profession within the
120 State of Mississippi.

121 **SECTION 4.** Section 31-17-123, Mississippi Code of 1972, is
122 brought forward as follows:

123 31-17-123. The intent of the Legislature is to authorize
124 borrowing funds under the provisions of Sections 31-17-101 through
125 31-17-123 to offset any temporary cash flow deficiencies and
126 should not be construed to authorize the borrowing of any funds in
127 an amount which cannot be repaid during the fiscal year in which
128 such funds are borrowed. The State Tax Commission and University
129 Research Center, utilizing all available revenue forecast data,
130 shall annually develop a General Fund revenue estimate to be
131 adopted by the Legislative Budget Office as of the date of sine
132 die adjournment. If, at the end of October, or at the end of any



133 month thereafter of any fiscal year, the revenues received for the
134 fiscal year shall fall below ninety-eight percent (98%) of the
135 Legislative Budget Office General Fund revenue estimate at the
136 date of sine die adjournment, the State Fiscal Officer shall
137 reduce allocations of general funds and state-source special funds
138 to General Fund and special fund agencies and to the
139 "administration and other expenses" budget of the State Highway
140 Department in an amount necessary to keep expenditures within the
141 sum of actual General Fund receipts including any transfers to the
142 General Fund from the Working Cash-Stabilization Reserve Fund for
143 the fiscal year. The State Fiscal Officer may, upon his
144 determination of need based on the revenue shortfall, transfer
145 funds as provided in Section 27-103-203, from the Working
146 Cash-Stabilization Reserve Fund to the General Fund to supplement
147 the General Fund revenue. State-source special funds in an amount
148 equal to any reduction made under the provisions of this section
149 shall be transferred to the State General Fund upon requisitions
150 for warrants signed by the respective agency head and such
151 transfer shall be made within a reasonable period to be determined
152 by the State Fiscal Officer. No agency's allocation shall be
153 reduced in an amount to exceed five percent (5%); however, in the
154 event that the allocations of general funds and state-source
155 special funds to all General Fund and special fund agencies and to
156 the "administration and other expenses" budget of the State
157 Highway Department have been reduced by five percent (5%), any
158 additional reductions required to be made hereunder shall consist
159 of a uniform percentage reduction of general funds and
160 state-source special funds to all General Fund and special fund
161 agencies, and to the "administration and other expenses" budget of
162 the State Highway Department. Any receipt from loans authorized
163 by Sections 31-17-101 through 31-17-123 shall not be included as
164 revenue receipts. The State Fiscal Officer shall immediately send



165 notice of any action taken under authority of this section to the
166 Legislative Budget Office.

167 For the purpose of this section, "state-source special funds"
168 shall be construed to mean any special funds in any agency derived
169 from any source, but shall not include the following special
170 funds: special funds derived from federal sources, from local or
171 regional political subdivisions, or from donations; special funds
172 held in a fiduciary capacity for the benefit of specific persons
173 or classes of persons; self-generated special funds of the State
174 Institutions of Higher Learning or the state junior colleges;
175 special funds of Mississippi Industries for the Blind, the State
176 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
177 District, Pearl River Basin Development District, Pearl River
178 Valley Water Management District, Tombigbee River Valley Water
179 Management District, Yellow Creek Watershed Authority, or Coast
180 Coliseum Commission; special funds of the Department of Wildlife,
181 Fisheries and Parks derived from the issuance of hunting or
182 fishing licenses; and special funds generated by agencies whose
183 primary function includes the establishment of standards and the
184 issuance of licenses for the practice of a profession within the
185 State of Mississippi.

186 **SECTION 5.** This act shall take effect and be in force from
187 and after its passage.

