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

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

SECTION 1. On October 15, 2002, any balances in excess of 
Two Hundred Million Dollars ($200,000,000.00) in the Working 
Cash-Stabilization Reserve Fund created pursuant to Section 
27-103-203, Mississippi Code of 1972, shall be transferred by the 
State Treasurer as follows:

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

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

(c) Twenty-five percent (25%) to the Community College 
Repair and Renovation Fund created pursuant to Section 37-29-268, 

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

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

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

(c) Except as otherwise provided in paragraph (d) of this subsection (1), after the balance in the fund reaches Forty Million Dollars ($40,000,000.00), fifty percent (50%) of the unencumbered General Fund cash balance at the close of each fiscal year, not to exceed Two Hundred Million Dollars ($200,000,000.00), shall be deposited into the fund. The remainder of the year-end unencumbered cash after transfer to the Working Cash-Stabilization Reserve Fund shall remain in the General Fund; however, if the remainder is in excess of Thirty Million Dollars ($30,000,000.00), fifty percent (50%) of such remainder, not to exceed Twenty Million Dollars ($20,000,000.00), shall be transferred as follows:

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

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

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

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

(2) The Working Cash-Stabilization Reserve Fund shall not be considered as a surplus or available funds when adopting a
balanced budget as required by law. The State Treasurer shall
invest all sums in the Working Cash-Stabilization Reserve Fund not
needed for the purposes provided for in this section in
certificates of deposit, repurchase agreements and other
securities as authorized in Sections 27-105-33(d) or 7-9-103, as
the State Treasurer may determine to yield the highest market rate
available. If the Ayers Settlement Fund is created pursuant to
Section 37-101-27(5), the first Five Million Dollars
($5,000,000.00) of interest earned on such sums each fiscal year
shall be deposited into that fund until a total of Seventy Million
Dollars ($70,000,000.00) has been deposited into the fund. The
interest, or the remaining interest if the Ayers Settlement Fund
is created, which is earned on such sums shall be deposited in the
Working Cash-Stabilization Reserve Fund until the balance of
principal and interest therein reaches Two Hundred Million Dollars
($200,000,000.00) for the current fiscal year, and all interest earned
in excess of amounts necessary to maintain the Two Hundred Million
Dollar ($200,000,000.00) fund balance requirement shall be deposited
by the State Treasurer into the State General Fund.

(3) The Working Cash-Stabilization Reserve Fund, except for
Nineteen Million Dollars ($19,000,000.00) and the amount of the
interest and income earned on the principal of the Ayers Endowment
Trust created by Section 37-101-27, shall be used by the State
Treasurer for cash flow needs throughout the year when the
Executive Director of the Department of Finance and Administration
certifies that in his opinion there will be cash flow deficiencies
in the State General Fund. No borrowing of monies from other
special funds for such purposes as authorized by Section 31-17-101
et seq. shall be made as long as an unencumbered balance in excess
of Nineteen Million Dollars ($19,000,000.00) and the interest and
income earned on the principal of the Ayers Endowment Trust
created by Section 37-101-27 remains in the fund. The State
Treasurer shall reimburse the fund for all sums borrowed for such
purposes from General Fund revenues collected during the fiscal year in which such funds are used. The State Treasurer shall immediately notify the Legislative Budget Office and the State Department of Finance and Administration of each transfer into and out of such fund. Four Million Dollars ($4,000,000.00) in the Working Cash-Stabilization Reserve Fund shall remain available for use pursuant to Section 27-103-81. Fifteen Million Dollars ($15,000,000.00) in the Working Cash-Stabilization Reserve Fund shall remain available for exclusive use of the Ayers Endowment Trust created by Section 37-101-27. If the Ayers Settlement Fund is created pursuant to Section 37-101-27(5), beginning when a total of Fifty-five Million Dollars ($55,000,000.00) has been deposited into the fund, for each annual deposit of interest to that fund under subsection (2) of this section, the Ayers Endowment Trust created under Section 37-101-27(1) shall be reduced by an equal amount annually until the Ayers Endowment Trust reaches Zero Dollars ($0.00), at which time any requirements concerning the Ayers Endowment Trust in this section shall be null and void.

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

(5) The Working Cash-Stabilization Reserve Fund also shall be used to provide funds for the Disaster Assistance Trust Fund when such funds are immediately needed to provide for disaster assistance under Sections 33-15-301 through 33-15-317. Any transfer of funds from the Working Cash-Stabilization Reserve Fund to the Disaster Assistance Trust Fund shall be made in accordance with the provisions of subsection (5) of Section 33-15-307.

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

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

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

27-103-125. The proposed budget of each state agency shall show the amounts required for operating expenses separately from the amounts required for permanent improvements. The overall budget shall show, separately by each source, the estimated amount of general fund revenue and of special fund revenues of general fund agencies. The total proposed expenditures in Part 1 of the overall budget shall not exceed the amount of estimated revenues which will be available in the general and special funds for appropriation or use during the succeeding fiscal year, including...
any balances which will be on hand in the general and special funds at the close of the then current fiscal year. Beginning with the budget for fiscal year 1994, the total proposed expenditures from the General Fund in Part 1 of the overall budget shall not exceed ninety-eight percent (98%) of the amount of General Fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The General Fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the current fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund, the Institutions of Higher Learning Repair and Renovation Fund, the Community College Repair and Renovation Fund and the State Agency Repair and Renovation Fund pursuant to Section 27-103-203. The Legislative Budget Office may recommend additional taxes or sources of revenue if in its judgment such additional funds are necessary to adequately support the functions of the state government.

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

27-103-139. On or before November 15 preceding each regular session of the Legislature, except the first regular session of a new term of office, the Governor shall submit to the members of the Legislature, the Legislative Budget Office or the members-elect, as the case may be, and to the executive head of each state agency a balanced budget for the succeeding fiscal year. Beginning with the 1996 fiscal year, the budget submitted shall be prepared in a format which will include performance measurement data associated with the various programs operated by each agency. The total proposed expenditures in the balanced budget shall not exceed the amount of estimated revenues that will
be available for appropriation or use during the succeeding fiscal year, including any balances that will be on hand at the close of the then current fiscal year, as determined by the revenue estimate jointly adopted by the Governor and the Legislative Budget Committee. Beginning with the budget for Fiscal Year 1994, the total proposed expenditures from the General Fund in the balanced budget shall not exceed ninety-eight percent (98%) of the amount of General Fund revenue estimate for the succeeding fiscal year, plus any unencumbered balances in general funds that will be available and on hand at the close of the then current fiscal year. The General Fund revenue estimate shall be the estimate jointly adopted by the Governor and the Joint Legislative Budget Committee. Unencumbered balances in general funds that will be available and on hand at the close of the fiscal year shall not include projected amounts required to be deposited into the Working Cash-Stabilization Reserve Fund, the Institutions of Higher Learning Repair and Renovation Fund, the Community College Repair and Renovation Fund and the State Agency Repair and Renovation Fund pursuant to Section 27-103-203.

The revenues used in preparing the balanced budget shall be only those revenues that will be available under the general laws of the state as they exist when the balanced budget is prepared, and shall not include any proposed revenues that would become available only after the enactment of new legislation. If the Governor has any recommendations for additional proposed expenditures or proposed revenues that are not included in his balanced budget, he shall submit those recommendations in a supplement that is separate from his balanced budget, and whenever the Governor recommends any such additional proposed expenditures, he also shall recommend proposed revenues that are sufficient to fund the additional proposed expenditures, providing specific details regarding the sources and the total amount of those proposed revenues.
The Governor may employ a budget officer for the purpose of receiving information from the State Fiscal Officer and preparing his recommendations on the budget. In the event the Governor determines that information received from the State Fiscal Officer is not sufficient to enable him to prepare his budget recommendations, he may request an appropriation from the Legislature to provide additional staff within the Governor's Office for such purpose. At the first regular session after his election for Governor, the Governor shall submit any budget recommendations plus the required revenue source recommendations no later than January 31 of such year.

SECTION 5. This act shall take effect and be in force from and after October 15, 2002.