

By: Representative Capps

To: Appropriations

HOUSE BILL NO. 1036

1 AN ACT TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE
2 KNOWN AS THE 2004 EDUCATION CONTINGENCY FUND, WHICH SHALL BE
3 EXPENDED FOR PUBLIC EDUCATION PURPOSES; TO DIRECT THE STATE
4 TREASURER, FROM JULY 1, 2003, UNTIL JULY 1, 2004, TO TRANSFER TO
5 THE 2004 EDUCATION CONTINGENCY FUND A MONTHLY SUM FROM THOSE
6 SPECIAL FUNDS IN THE TREASURY THAT RETAIN THEIR INTEREST AND
7 INVESTMENT EARNINGS; TO DIRECT THE TREASURER TO CHARGE AND COLLECT
8 A CASH MANAGEMENT FEE ANNUALLY FROM EACH STATE AGENCY THAT HAS
9 SPECIAL FUNDS IN THE TREASURY THAT RETAIN THEIR INTEREST AND
10 INVESTMENT EARNINGS, FOR MANAGING THE CASH BALANCES OF THOSE FUNDS
11 FOR THE BENEFIT OF THE STATE AGENCY; TO PROVIDE THAT THE CASH
12 MANAGEMENT FEES COLLECTED FOR THE FIRST YEAR SHALL BE DEPOSITED
13 INTO THE 2004 EDUCATION CONTINGENCY FUND; TO PROVIDE THAT THE CASH
14 MANAGEMENT FEES COLLECTED FOR EACH ANNUAL PERIOD AFTER JULY 1,
15 2004, SHALL BE DEPOSITED INTO A SPECIAL FUND CREATED IN THE STATE
16 TREASURY, WHICH SHALL BE EXPENDED TO PAY THE DEBT SERVICE ON FULL
17 FAITH AND CREDIT BONDS OF THE STATE; TO DIRECT THE TREASURER TO
18 TRANSFER CERTAIN FUNDS TO THE 2004 EDUCATION CONTINGENCY FUND; TO
19 CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE
20 SPECIAL FUNDS TRANSFER FUND, WHICH SHALL BE COMPRISED OF THE
21 MONIES REQUIRED TO BE DEPOSITED INTO THE FUND UNDER SECTION
22 27-65-75(18); AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** (1) There is created in the State Treasury a
25 special fund to be known as the 2004 Education Contingency Fund,
26 which shall be comprised of the monies required to be deposited
27 into the fund under Sections 2, 3 and 4 of this act, and any other
28 monies that may be made available for the fund by the Legislature.

29 (2) Monies in the fund shall be expended, upon appropriation
30 by the Legislature, for public education purposes in Grades K
31 through 12, the state institutions of higher learning and the
32 community and junior colleges, which funding shall be in addition
33 to the amount of the Joint Legislative Budget Committee
34 recommendation for funding those purposes.

35 (3) Unexpended amounts remaining in the fund at the end of a
36 fiscal year shall not lapse into the State General Fund, and any



37 interest earned or investment earnings on amounts in the fund
38 shall be deposited to the credit of the fund.

39 **SECTION 2.** From July 1, 2003, until July 1, 2004, the State
40 Treasurer shall transfer to the 2004 Education Contingency Fund
41 created in Section 1 of this act an amount equal to Fourteen
42 Million One Hundred Sixty-six Thousand Six Hundred Sixty-seven
43 Dollars (\$14,166,667.00) each month from the aggregate of special
44 funds in the State Treasury that are held in accounts to which the
45 interest and investment earnings on monies in the accounts are
46 deposited to the credit of the accounts.

47 **SECTION 3.** (1) From and after July 1, 2003, the State
48 Treasurer annually shall charge and collect a cash management fee
49 from each state agency that has special funds in the State
50 Treasury that are held in an account to which the interest and
51 investment earnings on monies in the account are deposited to the
52 credit of the account, for managing the cash balances of the
53 account for the benefit of the state agency. The amount of the
54 cash management fee shall be equal to one percent (1%) of the
55 average monthly balance in the account during the twelve-month
56 period preceding the month in which the fee is charged to the
57 agency.

58 (2) The cash management fees collected for the period from
59 July 1, 2003, until July 1, 2004, shall be deposited into the 2004
60 Education Contingency Fund created in Section 1 of this act. The
61 cash management fees collected for each annual period from and
62 after July 1, 2004, shall be deposited into a special fund that is
63 created in the State Treasury to the credit of the Office of the
64 State Treasurer, which shall be expended, upon appropriation by
65 the Legislature, for the purpose of paying maturing bonds and
66 interest on the full faith and credit bonds of the state and
67 paying service charges to banks for acting as agents of the state
68 in paying bonds and interest on the full faith and credit bonds of
69 the state. Unexpended amounts remaining in the special fund at



70 the end of a fiscal year shall not lapse into the State General
71 Fund, and any interest earned or investment earnings on amounts in
72 the special fund shall be deposited to the credit of the special
73 fund.

74 **SECTION 4.** (1) The State Treasurer shall transfer to the
75 2004 Education Contingency Fund created in Section 1 of this act,
76 out of the following enumerated funds, amounts listed below for
77 each fund throughout the period beginning upon passage of this act
78 and through June 30, 2003:

<u>Agency/Fund</u>	<u>Amount</u>
Working Cash-Stabilization	
Reserve Fund	\$ 3,754,000.00
Budget Contingency Fund	\$ 1,500,000.00
State General Fund	<u>\$ 3,600,000.00</u>
Total	\$ 8,854,000.00

85 (2) From and after July 1, 2003, the State Treasurer shall
86 transfer to the 2004 Education Contingency Fund created in Section
87 1 of this act, out of the following enumerated funds, amounts
88 listed below for each fund throughout the period beginning upon
89 July 1, 2003 and through June 30, 2004:

<u>Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
State General Fund		\$31,600,000.00
Working Cash-Stabilization		
Reserve Fund		25,000,000.00
Securities Act Enforcement		
Fund	3114	<u>\$ 4,000,000.00</u>
Total		\$60,600,000.00

97 The transfer of the full amount of the Twenty-five Million
98 Dollars (\$25,000,000.00) from the Working Cash-Stabilization
99 Reserve Fund under this subsection is contingent upon the amount
100 that the Executive Director of the Department of Finance and
101 Administration has transferred from the Working Cash-Stabilization
102 Reserve Fund to the State General Fund under Section 27-103-203(4)



103 during fiscal year 2003. If the executive director has
104 transferred less than a total of Twenty-five Million Dollars
105 (\$25,000,000.00) to the General Fund under Section 27-103-203(4)
106 during fiscal year 2003, then the Treasurer shall transfer the
107 full amount of Twenty-five Million Dollars (\$25,000,000.00) from
108 the Working Cash-Stabilization Reserve Fund under this subsection.
109 If the executive director has transferred more than a total of
110 Twenty-five Million Dollars (\$25,000,000.00) to the General Fund
111 under Section 27-103-203(4) during fiscal year 2003, then the
112 Treasurer shall reduce the amount of the transfer from the Working
113 Cash-Stabilization Reserve Fund under this subsection by the same
114 amount that the transfer made by the executive director under
115 Section 27-103-203(4) during fiscal year 2003 exceeds Twenty-five
116 Million Dollars (\$25,000,000.00).

117 **SECTION 5.** (1) There is created in the State Treasury a
118 special fund to be known as the Special Funds Transfer Fund, which
119 shall be comprised of the monies required to be deposited into the
120 fund under Section 27-65-75(18). Upon receipt of monies deposited
121 into the fund under Section 27-65-75(18), the State Treasurer
122 shall transfer those monies to special funds.

123 (2) Unexpended amounts remaining in the fund at the end of a
124 fiscal year shall not lapse into the State General Fund, and any
125 interest earned or investment earnings on amounts in the fund
126 shall be deposited to the credit of the fund.

127 **SECTION 6.** This act shall take effect and be in force from
128 and after its passage.

