

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.

