

By: Senator(s) Gordon, Little

To: Appropriations

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2008

1 AN ACT TO AMEND SECTION 27-104-17, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE ADDITIONAL TRANSFERS BETWEEN MAJOR BUDGET CATEGORIES
3 BY STATE AGENCIES DUE TO FINANCIAL CIRCUMSTANCES CAUSED BY
4 HURRICANE KATRINA; TO AMEND SECTION 27-104-21, MISSISSIPPI CODE OF
5 1972, TO AUTHORIZE STATE AGENCIES TO ESCALATE AND EXPEND CERTAIN
6 FEDERAL OR SPECIAL SOURCE FUNDS DUE TO FINANCIAL CIRCUMSTANCES
7 CAUSED BY HURRICANE KATRINA; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 27-104-17, Mississippi Code of 1972, is
10 amended as follows:

11 27-104-17. (1) An allotment period shall be one-half (1/2)
12 of twelve (12) months, and expenditure one-half (1/2) of the
13 appropriated amount, unless otherwise specified in the
14 appropriation bill or justified by the agency to the Department of
15 Finance and Administration, and the first allotment period shall
16 commence on July 1. Estimates shall be filed with the Department
17 of Finance and Administration not later than the first day of the
18 month preceding the beginning period.

19 Provided further, that the Department of Finance and
20 Administration may, in its discretion, restrict an agency to
21 monthly allotment period when it becomes evident that an agency's
22 rate of expenditure to date indicates this restriction will be
23 necessary to prevent depletion of its appropriation prior to the
24 close of the fiscal year or when the condition of the State
25 General Fund requires monthly monitoring and control of the rate
26 of General Fund expenditures.

27 [From and after passage and until June 30, 2006, this
28 subsection (2) shall read as follows:]

29 (2) Due to the unforeseen financial circumstances caused by
30 Hurricane Katrina, the agency heads of the following state
31 agencies, with the approval of the Department of Finance and
32 Administration, may authorize increases in major objects of
33 expenditure within each specific budget within each appropriation
34 bill, provided that other major objects of expenditure are
35 decreased by a corresponding dollar amount: State Contractors
36 Board, State Veterans' Affairs Board, State Board of Engineers and
37 Land Surveyors, State Board of Animal Health, State Pharmacy
38 Board, Mississippi Nursing Board, Port of Gulfport, Mississippi
39 Department of Employment Security, Mississippi Insurance
40 Department, Mississippi Department of Mental Health, Mississippi
41 Department of Finance and Administration, Mississippi Department
42 of Human Services, Mississippi Emergency Management Authority
43 (MEMA), Mississippi Department of Health, Mississippi Department
44 of Marine Resources, Mississippi Gaming Commission, State Tax
45 Commission, Mississippi Department of Rehabilitation Services,
46 Mississippi Gulf Coast Coliseum, Secretary of State, and
47 Mississippi Department of Archives and History. The agency head
48 shall submit written justification for the transfer(s) to the
49 Department of Finance and Administration, the Legislative Budget
50 Office and the State Auditor on or before the fifteenth of the
51 month prior to the effective date of the transfer. The transfer
52 shall be effective the first working day of the month following
53 timely submissions and approval required herein. In cases of
54 extreme hardship, certified in writing by the agency head and
55 timely submitted as required herein, the Executive Director of the
56 Department of Finance and Administration, in his discretion, may
57 authorize an earlier effective date for the transfer.

58 **[From and after July 1, 2006, this subsection (2) shall read**
59 **as follows:]**

60 (2) Unless otherwise specified in the agency appropriation
61 bill, in the event any emergency or unforeseen circumstances shall

62 arise, the agency head may authorize increases in major objects of
63 expenditure within each specific budget within each appropriation
64 bill in total amounts not to exceed ten percent (10%) of the
65 appropriated amount of each object, provided that other major
66 objects of expenditure are decreased by a corresponding dollar
67 amount. No transfers shall be authorized which increase or
68 decrease the major object of expenditure "Salaries, Wages and
69 Fringe Benefits," or which increase the major object of
70 expenditure "Capital Outlay - Equipment." The agency head shall
71 submit written justification for the transfer to the Legislative
72 Budget Office, the Department of Finance and Administration, and
73 the State Auditor, on or before the fifteenth of the month prior
74 to the effective date of the transfer. The transfer shall be
75 effective the first working day of the month following timely
76 submissions required herein. In cases of extreme hardship,
77 certified in writing by the agency head and submitted with timely
78 submissions required herein, the Executive Director of the
79 Department of Finance and Administration, in his discretion, may
80 authorize an earlier effective date for the transfer.

81 **SECTION 2.** Section 27-104-21, Mississippi Code of 1972, is
82 amended as follows:

83 27-104-21. (1) All general and special fund agencies shall,
84 upon making application for federal funds, forward a summary of
85 such applications to the Legislative Budget Office. The
86 Legislative Budget Office shall have an opportunity to review such
87 applications and make its comments thereon to the Executive
88 Director of the Department of Finance and Administration and the
89 state agency making application. Unless otherwise specified in
90 the appropriation bill, the Executive Director of the Department
91 of Finance and Administration shall have the authority to approve
92 escalations in a budget using one hundred percent (100%) federal
93 money.

94 [From and after passage and until June 30, 2006, this
95 subsection (2) shall read as follows:]

96 (2) The Executive Director of the Department of Finance and
97 Administration shall have the authority to approve escalations of
98 funds and employee positions in the following budgets using one
99 hundred percent (100%) federal or other special source funds
100 available and necessary to assist agencies with any unforeseen
101 financial circumstances specifically related to Hurricane Katrina:
102 State Gaming Commission, State Tax Commission, State Contractors
103 Board, State Architecture Board, State Veterans' Affairs Board,
104 Port of Gulfport, Mississippi Forestry Commission, Mississippi
105 Department of Insurance, Mississippi Department of Environmental
106 Quality, Mississippi Department of Health, Mississippi Department
107 of Finance and Administration (excluding rent), and State
108 Veterans' Home Purchase Board. New employee positions funded one
109 hundred percent (100%) by or from federal funds may be authorized
110 by the Executive Director of the Department of Finance and
111 Administration subject to the rules and regulations of the State
112 Personnel Board. No federal or other special source funds may be
113 expended for programs or activities other than those which have
114 been authorized by act of the Legislature or which are encompassed
115 by a state agency's program structure as provided by law,
116 provided, however, that any expenditures related to a Hurricane
117 Katrina relief program shall be specifically authorized. The
118 Executive Director of the Department of Finance and Administration
119 shall immediately send notice of the approval of such budget
120 escalation to the Legislative Budget Office. The Executive
121 Director of the Department of Finance and Administration shall
122 ensure that the Legislative Budget Office receives timely,
123 detailed and accurate information about the amount and use of
124 federal and special source hurricane relief funds by state
125 agencies.

126 [From and after July 1, 2006, this subsection (2) shall read

127 as follows:]

128 (2) New employee positions funded one hundred percent (100%)
129 by or from federal funds may be authorized by the Executive
130 Director of the Department of Finance and Administration subject
131 to the rules and regulations of the State Personnel Board. No
132 federal or other special source funds may be expended for programs
133 or activities other than those which have been authorized by act
134 of the Legislature or which are encompassed by a state agency's
135 program structure as provided by law, provided, however, that any
136 expenditures related to a Hurricane Katrina relief program shall
137 be specifically authorized. The Executive Director of the
138 Department of Finance and Administration shall immediately send
139 notice of the approval of such budget escalation to the
140 Legislative Budget Office. The Executive Director of the
141 Department of Finance and Administration shall ensure that the
142 Legislative Budget Office receives timely, detailed and accurate
143 information about the amount and use of federal and special source
144 hurricane relief funds by state agencies.

145 (3) The Department of Finance and Administration shall
146 require, by rule and regulation, that each agency receiving
147 federal funds shall apply for federal reimbursement for state
148 central services costs in accordance with Office of Management and
149 Budget Circular A-21 or A-87, which reimbursement shall be
150 deposited directly into the Statewide Cost Allocation Fund, which
151 is hereby established within the State Treasury. With the
152 exception of any reimbursement for Hurricane Katrina related
153 relief programs, an agency's failure to timely apply for such
154 reimbursement shall be condition sufficient to authorize the
155 Department of Finance and Administration to transfer an amount
156 equal to not less than fifty percent (50%) nor more than one
157 hundred percent (100%) of the total amount designated to such
158 agency in the applicable fixed cost agreement of the state central

159 service cost allocation plan. These funds shall be transferred
160 from any available funds within such agency into the Statewide
161 Cost Allocation Fund upon execution of a requisition for issuance
162 of warrant by the Executive Director of the Department of Finance
163 and Administration. Any funds on hand in said Statewide Cost
164 Allocation Fund at the end of the fiscal year shall lapse into the
165 State General Fund.

166 **SECTION 3.** This act shall take effect and be in force from
167 and after its passage.