

By: Senator(s) Gordon, Little

To: Appropriations

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 ANY
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 head of any state agency, with the
31 approval of the Department of Finance and Administration, may
32 authorize increases in major objects of expenditure within each
33 specific budget within each appropriation bill, provided that
34 other major objects of expenditure are decreased by a
35 corresponding dollar amount. The agency head shall submit written
36 justification for the transfer(s) to the Department of Finance and
37 Administration, the Legislative Budget Office and the State
38 Auditor on or before the fifteenth of the month prior to the
39 effective date of the transfer. The transfer shall be effective
40 the first working day of the month following timely submissions
41 and approval required herein. In cases of extreme hardship,
42 certified in writing by the agency head and timely submitted as
43 required herein, the Executive Director of the Department of
44 Finance and Administration, in his discretion, may authorize an
45 earlier effective date for the transfer.

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

48 (2) Unless otherwise specified in the agency appropriation
49 bill, in the event any emergency or unforeseen circumstances shall
50 arise, the agency head may authorize increases in major objects of
51 expenditure within each specific budget within each appropriation
52 bill in total amounts not to exceed ten percent (10%) of the
53 appropriated amount of each object, provided that other major
54 objects of expenditure are decreased by a corresponding dollar
55 amount. No transfers shall be authorized which increase or
56 decrease the major object of expenditure "Salaries, Wages and
57 Fringe Benefits," or which increase the major object of
58 expenditure "Capital Outlay - Equipment." The agency head shall
59 submit written justification for the transfer to the Legislative
60 Budget Office, the Department of Finance and Administration, and
61 the State Auditor, on or before the fifteenth of the month prior

62 to the effective date of the transfer. The transfer shall be
63 effective the first working day of the month following timely
64 submissions required herein. In cases of extreme hardship,
65 certified in writing by the agency head and submitted with timely
66 submissions required herein, the Executive Director of the
67 Department of Finance and Administration, in his discretion, may
68 authorize an earlier effective date for the transfer.

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

71 27-104-21. (1) All general and special fund agencies shall,
72 upon making application for federal funds, forward a summary of
73 such applications to the Legislative Budget Office. The
74 Legislative Budget Office shall have an opportunity to review such
75 applications and make its comments thereon to the Executive
76 Director of the Department of Finance and Administration and the
77 state agency making application. Unless otherwise specified in
78 the appropriation bill, the Executive Director of the Department
79 of Finance and Administration shall have the authority to approve
80 escalations in a budget using one hundred percent (100%) federal
81 money. In addition, the Executive Director of the Department of
82 Finance and Administration shall have the authority to approve
83 escalations in a budget using one hundred percent (100%) federal
84 or other special source funds available and necessary to assist
85 agencies with any unforeseen financial circumstances specifically
86 related to Hurricane Katrina. New employee positions funded one
87 hundred percent (100%) by or from federal funds or other special
88 source funds may be authorized by the Executive Director of the
89 Department of Finance and Administration subject to the rules and
90 regulations of the State Personnel Board. No federal or other
91 special source funds may be expended for programs or activities
92 other than those which have been authorized by act of the
93 Legislature or which are encompassed by a state agency's program
94 structure as provided by law, provided, however, that any

95 expenditures related to a Hurricane Katrina relief program shall
96 be specifically authorized. The Executive Director of the
97 Department of Finance and Administration shall immediately send
98 notice of the approval of such budget escalation to the
99 Legislative Budget Office. The Executive Director of the
100 Department of Finance and Administration shall ensure that the
101 Legislative Budget Office receives timely, detailed and accurate
102 information about the amount and use of federal and special source
103 hurricane relief funds by state agencies.

104 (2) The Department of Finance and Administration shall
105 require, by rule and regulation, that each agency receiving
106 federal funds shall apply for federal reimbursement for state
107 central services costs in accordance with Office of Management and
108 Budget Circular A-21 or A-87, which reimbursement shall be
109 deposited directly into the Statewide Cost Allocation Fund, which
110 is hereby established within the State Treasury. With the
111 exception of any reimbursement for Hurricane Katrina related
112 relief programs, an agency's failure to timely apply for such
113 reimbursement shall be condition sufficient to authorize the
114 Department of Finance and Administration to transfer an amount
115 equal to not less than fifty percent (50%) nor more than one
116 hundred percent (100%) of the total amount designated to such
117 agency in the applicable fixed cost agreement of the state central
118 service cost allocation plan. These funds shall be transferred
119 from any available funds within such agency into the Statewide
120 Cost Allocation Fund upon execution of a requisition for issuance
121 of warrant by the Executive Director of the Department of Finance
122 and Administration. Any funds on hand in said Statewide Cost
123 Allocation Fund at the end of the fiscal year shall lapse into the
124 State General Fund.

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