

By: Senator(s) Gordon, Little,  
Burton, Dawkins, Frazier,  
Gollott, Jackson (11th), Jackson  
(32nd), Jordan, Walls

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.