

By: Senator(s) Little, Gordon, Robertson

To: Appropriations

SENATE BILL NO. 2444

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 UNFORESEEN FINANCIAL
7 CIRCUMSTANCES; 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 (2) Except as otherwise provided in subsection (3), and
28 unless otherwise specified in the agency appropriation bill, in
29 the event any emergency or unforeseen circumstances shall arise,

30 the agency head may authorize increases in major objects of
31 expenditure within each specific budget within each appropriation
32 bill in total amounts not to exceed ten percent (10%) of the
33 appropriated amount of each object, provided that other major
34 objects of expenditure are decreased by a corresponding dollar
35 amount. No transfers shall be authorized which increase or
36 decrease the major object of expenditure "Salaries, Wages and
37 Fringe Benefits," or which increase the major object of
38 expenditure "Capital Outlay - Equipment." The agency head shall
39 submit written justification for the transfer to the Legislative
40 Budget Office, the Department of Finance and Administration, and
41 the State Auditor, on or before the fifteenth of the month prior
42 to the effective date of the transfer. The transfer shall be
43 effective the first working day of the month following timely
44 submissions required herein. In cases of extreme hardship,
45 certified in writing by the agency head and submitted with timely
46 submissions required herein, the Executive Director of the
47 Department of Finance and Administration, in his discretion, may
48 authorize an earlier effective date for the transfer.

49 (3) From and after passage and until June 30, 2007, due to
50 the unforeseen financial circumstances caused by Hurricane
51 Katrina, * * * agency heads * * *, with the approval of the
52 Department of Finance and Administration, may authorize increases
53 in major objects of expenditure within each specific budget within
54 each appropriation bill, provided that other major objects of
55 expenditure are decreased by a corresponding dollar amount * * *.
56 The agency head shall submit written justification for the
57 transfer(s) to the Department of Finance and Administration, the
58 Legislative Budget Office and the State Auditor on or before the
59 fifteenth of the month prior to the effective date of the
60 transfer. The transfer shall be effective the first working day
61 of the month following timely submissions and approval required
62 herein. In cases of extreme hardship, certified in writing by the

63 agency head and timely submitted as required herein, the Executive
64 Director of the Department of Finance and Administration, in his
65 discretion, may authorize an earlier effective date for the
66 transfer.

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

69 27-104-21. (1) All general and special fund agencies shall,
70 upon making application for federal funds, forward a summary of
71 such applications to the Legislative Budget Office. The
72 Legislative Budget Office shall have an opportunity to review such
73 applications and make its comments thereon to the Executive
74 Director of the Department of Finance and Administration and the
75 state agency making application. Unless otherwise specified in
76 the appropriation bill, the Executive Director of the Department
77 of Finance and Administration shall have the authority to approve
78 escalations in a budget using one hundred percent (100%) federal
79 money.

80 * * *

81 (2) The Executive Director of the Department of Finance and
82 Administration shall have the authority to approve escalations of
83 funds and employee positions * * * using one hundred percent
84 (100%) federal or other special source funds available and
85 necessary to assist agencies with any unforeseen financial
86 circumstances * * *. New employee positions funded one hundred
87 percent (100%) by or from federal funds may be authorized by the
88 Executive Director of the Department of Finance and Administration
89 subject to the rules and regulations of the State Personnel Board.
90 No federal or other special source funds may be expended for
91 programs or activities other than those which have been authorized
92 by act of the Legislature or which are encompassed by a state
93 agency's program structure as provided by law; provided, however,
94 that any expenditures related to a Hurricane Katrina relief
95 program shall be specifically authorized. The Executive Director

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

103 * * *

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